



Life Connected.

**CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS
112 N. COLORADO ST.
TUESDAY, SEPTEMBER 8, 2020
5:00 PM**

AGENDA

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

II. PLEDGE OF ALLEGIANCE/INVOCATION:

III. PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:

A. Constitution Week Proclamation

B. Arbor Day Proclamation

IV. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

A. Introduction of new employees.

B. Improvements to Cedar Street. (Glasgow)

C. Presentation regarding the Carriage Ordinance. (Barton)

D. Presentation regarding the Subdivision Ordinance. (McAfee)

E. Presentation regarding Code Enforcement (Part One of Two). (McAfee)

F. Discussion regarding any and/or all agenda items.

G. Staff Reports

V. OPEN FORUM:

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

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

VI. EXECUTIVE SESSION:

- A. Discussion regarding Development, Settlement, and Annexation Agreement between the City of Celina and Dynavest Joint Venture related to approximately 1808.10 acres of land in Collin County Texas and generally located east of the proposed Dallas North Tollway, west of FM 455, south of the Collin-Grayson County border and north of FM 428. (McAfee)
- B. Discussion regarding a resolution finding that a public necessity exists to acquire real property at 205 West Main St described as being located in the Celina Original Donation Survey, Block 5, Lot 16, generally located on the north side of West Main St between South Ohio St and South Louisiana St; providing notice of an official determination to acquire real property; authorizing the appraisal report to be obtained, landowner's bill of rights provided, and final bona fide offers of just

compensation be made for the real property; authorizing legal counsel to institute eminent domain proceedings on behalf of the city for the acquisition of real property on said tract; appropriating funds from a lawful source.

Reconvene Into Open Session

- C. Consider and act upon a Development, Settlement, and Annexation Agreement between the City of Celina and Dynavest Joint Venture related to approximately 1808.10 acres of land in Collin County Texas and generally located east of the proposed Dallas North Tollway, west of FM 455, south of the Collin-Grayson County border and north of FM 428
 - D. Consider and act upon a resolution finding that a public necessity exists to acquire real property at 205 West Main St described as being located in the Celina Original Donation Survey, Block 5, Lot 16, generally located on the north side of West Main St between South Ohio St and South Louisiana St; providing notice of an official determination to acquire real property; authorizing the appraisal report to be obtained, landowner's bill of rights provided, and final bona fide offers of just
- compensation be made for the real property; authorizing legal counsel to institute eminent domain proceedings on behalf of the city for the acquisition of the real property on said tract; appropriating funds from a lawful source; and providing for an effective date.
- E. Consider and act upon any items discussed in executive session.

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

A. Minutes Approval:

- 1. City Council - Regular Meeting - Aug 11, 2020 5:00 PM
- 2. City Council - Special Meeting - Aug 26, 2020 5:00 PM

- B. Consider and act upon a resolution of the City of Celina, Texas; revising the street name from County Road 6 to South Legacy Drive. (County Road 6) (Colakovic)
- C. Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 13 acres within the Extraterritorial Jurisdiction, generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Annexation Service Agreement) (Mohan)

- D. Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 79 acres within the Extraterritorial Jurisdiction, generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Annexation Service Agreement) (Mohan)
- E. Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 44 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Annexation Service Agreement) (Mohan)
- F. Consider and act upon a request for an amendment to The Cottages development agreement; generally located west of Louisiana Drive and north of J. Fred Smith Parkway. (The Cottages DA Amendment) (Mohan)
- G. Consider and act upon a resolution of the City of Celina, Texas, accepting a petition to create Northside at Rollertown Public Improvement District, and calling for a public hearing. (Northside at Rollertown PID Creation Petition) (Pouladi)
- H. Consider and act upon an ordinance of the City of Celina, Texas approving and authorizing the release of a portion of certain assessments related to the City Contributed Major Improvements previously levied against certain property within the Wells South Public Improvement District; and authorizing City officials to take additional actions to accomplish and formalize the release of that portion of the assessments. (Wells South PID NIA#3- CCMI Release Ordinance) (Pouladi)
- I. Consider and act upon a resolution of the City of Celina, Texas, determining the costs of NIA #4 improvements to be financed by the Wells North Public Improvement District; approving preliminary amended and restated service plan and assessment plan, including a proposed NIA #4 assessment roll; directing the filing of the proposed NIA #4 assessment roll with the City Secretary; providing for noticing and calling a public hearing for October 13, 2020, to consider an ordinance levying assessments on property located within Neighborhood Improvement Area #4 of the Wells North Public Improvement District. (Wells North NIA#4-PID – Pre-SAP) (Pouladi)
- J. Consider and act to authorize the Mayor Pro-Tem to execute a Landowner Agreement, a NIA#5A Reimbursement Agreement, and a NIA#5A Construction, Funding, and Acquisition Agreement by and between the City of Celina and CADG Sutton Fields, LLC. (Sutton Fields NIA 5A- PID - Miscellaneous Agreements) (Pouladi)
- K. Consider and act upon a resolution of the City of Celina, Texas ratifying and approving the Fiscal Year 2020-2021 budget for the Celina Economic Development Corporation. (Jackson)
- L. Consider and act upon a resolution of the City of Celina, Texas, ratifying and approving the Fiscal Year 2020-2021 budget for the Celina Community Development Corporation. (Bromiley)
- M. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Two project expenditures; providing a severability clause; and providing an effective date. (Stovall)

- N. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Four project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- O. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Six project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- P. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Seven project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- Q. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Eight project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- R. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Nine project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- S. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Ten project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- T. Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Eleven project expenditures; providing a severability clause; and providing an effective date. (Stovall)
- U. Consider and act upon approval of an agreement with Waste Connections Lone Star, Inc., subject to final approval by the City's land use attorney, for the exclusive right to operate and maintain the services of collection and transportation of residential, commercial, multi-family, and industrial waste and recycling in areas serviced by the City of Celina, Texas. (Stovall)
- V. Consider and act upon a resolution of the City Council of the City of Celina, Texas, hereby authorizing the City Manager of the City of Celina, Texas, to execute a professional services agreement with Texas Coalition for Affordable Power, Inc. (TCAP) to source and procure electricity on behalf of the City; and providing for an effective date. (Berry)
- W. Consider and act upon a resolution of the City Council of the City of Celina, Texas approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex division regarding the company's 2020 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC's legal counsel. (Atmos negotiated rate settlement) (Jenks)

- X. Consider and act to authorize an agreement for engineering services for the design of improvements to the Public Works Service Center for Task 1 and 2 with Quorum Architecture for an amount not to exceed \$51,800.00. (Berry)
- Y. Consider and act to authorize an agreement for engineering services for Cedar Street (Utah Drive to Arizona Drive) Paving, Water, and Sewer Improvements with Peloton Land Services for an amount not to exceed \$64,980. (Berry)
- Z. Consider and act to authorize the City Manager to enter into an Interlocal Agreement between the City of Celina and Prosper ISD for the exchange of real property located on FM 1385 between Crutchfield Avenue and Ballenger Road. (Brawner)
- AA. Consider and act to authorize the City Manager of the City of Celina to enter into Agreements with Private Property Owners for temporary use of their property as public parking in Downtown Celina. (Brawner/McAfee)
- AB. Consider and act to authorize an agreement for Christmas decoration, lighting, and storage on downtown buildings with Premier Lighting Enterprises, LLC for an amount not to exceed \$75,160.00. (Berry)
- AC. Consider and act to authorize an agreement for lighting services on downtown buildings with Premier Lighting Enterprises, LLC for an amount not to exceed \$23,363.00. (Berry)
- AD. Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on Louisiana Drive (B 289 between Malne Dr and CR 99) (Phase I) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$331,000.00. (Berry)
- AE. Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on Louisiana Drive (B 289 between CR 99 and North Preston lakes) (Phase III) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$170,500.00. (Berry)
- AF. Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on County Road 99 between Louisiana Dr (B 289) and Preston Road (SH 289) (Phase II) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$194,000.00. (Berry)
- AG. Consider and act upon an ordinance altering the prima facie speed limits established for vehicles under the provisions of transportation code, section 545.356 upon Dallas Parkway, or parts thereof, within the incorporate limits of the City of Celina. (Dallas Parkway from FM 1461 to FM 428 to 50 MPH) (Glasgow)
- AH. Consider and act to authorize Change Order 3 with Quality Excavation for the Preston Road Water & Sewer Line Improvements in the amount of \$93,130.00. (Berry)
- AI. Consider and act to cancel the agreement for installation of synthetic turf from Masters of Turf USA, LLC through an interlocal agreement with Sourcewell, contract 060518-SII in an amount not to exceed \$90,541.25 plus ten percent contingency in the amount of \$9,054.13 for a total amount of \$99,595.38. (Berry)
- AJ. Consider and act to authorize the City Manager to enter into an Interlocal Agreement with the Town of Prosper and Collin County to provide construction inspection services for the construction of Frontier Parkway from Preston Road (SH 289) to Dallas Parkway. (Brawner)

- AK. Consider and act upon a resolution of the City of Celina, Texas, amending Resolution No. 2020-42R to extend the dates for early voting consistent with the order of the Governor of the State of Texas. (Tarrant)

VIII. PUBLIC HEARING/ACTION:

- A. The Celina City Council will conduct a public hearing to consider testimony and receive public input regarding the proposed FY2020-2021 budget. (Bromiley)
- B. The Celina City Council will conduct a public hearing to consider testimony regarding the proposed 2020 Ad Valorem tax rate. (Bromiley)
- C. The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 13 acres within the Extraterritorial Jurisdiction, generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Annexation) (Mohan)
- D. The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 13 acre tract of land to Commercial, Office, & Retail District (C), generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Zoning) (Mohan)
- E. The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 79 acres within the Extraterritorial Jurisdiction, generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Annexation) (Mohan)
- F. The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 79 acre tract of land Mixed-Use District (MU), generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Zoning) (Mohan)
- G. The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 44 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Annexation) (Mohan)
- H. The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 53 acre tract of land to Planned Development (PD) with Collin County Outer Loop Overlay District (CCOLO) base zoning, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Planned Development) (Mohan)
- I. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance accepting and approving a final Amended and Restated Wells South Public Improvement District Service and Assessment Plan – Updated for NIA#3, including the NIA#3 assessment roll; making a finding of special benefit to property within NIA #3 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 NIA #3 assessed property in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Wells South NIA#3- PID Levy) (Pouladi)

- J. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance accepting and approving a final Amended and Restated Sutton Fields II Public Improvement District Service and Assessment Plan – Updated for NIA#5A, including the NIA#5A assessment roll; making a finding of special benefit to property within NIA #5A of the Sutton Fields II 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 NIA #5A assessed property in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Sutton Fields II NIA #5A-PID Levy) (Pouladi)

IX. ACTION ITEM:

- A. Consider and act upon ratifying the property tax revenue increase reflected in the annual budget for the Fiscal Year 2020-2021; beginning October 1, 2020 and ending September 30, 2021. (Bromiley)
- B. Consider and act upon an ordinance of the City of Celina, Texas, adopting and approving the budget for the Fiscal Year 2020-2021 beginning October 1, 2020, and ending September 30, 2021, and making appropriations for each department, project and account; providing for expenditures of funds; providing for filing of documents. (Bromiley) (Roll Call Vote)
- C. Consider and act upon an ordinance of the City of Celina, Texas, fixing and levying municipal Ad Valorem taxes for the fiscal year beginning October 1, 2020, and ending September 30, 2021, at a rate of \$.645000 per one hundred dollars (\$100.00) assessed valuation on all taxable property within the corporate limits of the city; this tax rate will raise more taxes for maintenance and operations than last year's tax rate; the tax rate will effectively be raised by 3.5% and will raise taxes for maintenance and operations on a \$100,000.00 home by approximately \$.10. (Roll Call Vote) (Bromiley)
- D. 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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project); approving and authorizing related agreements; and providing an effective date. (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance) (Pouladi)
- E. 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 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project); approving and authorizing related agreements and an amended and restated service and assessment plan; and providing an effective date. (Sutton Fields II PID NIA#4 Bond Ordinance) (Pouladi)
- F. Discussion regarding City Secretary's verification of whether there are sufficient signatures to the petition for annexation of approximately 48 acres, in the extraterritorial jurisdiction; generally located east of county road 52, west of Farm to Market road 2478, south of Glendenning parkway, north of county road 84, as described below. (20-02 Annexation Petition Verification) (Tarrant)

- G. Consider and act upon a resolution, accepting the City Secretary's verification of the signatures to the petition for annexation of approximately 48 acres, in the extraterritorial jurisdiction; generally located east of County Road 52, west of Farm to Market Road 2478, south of Glendenning Parkway, north of County Road 84, as described below, and all County Road rights-of-way adjacent thereto; calling two public hearings regarding annexation and the service plan; and directing notices as prescribed by law. (20-02 Annexation Petition Verification Resolution) (Mohan)
- 1) Collin CAD Property ID 2776103, being an approximate 0.39 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 28; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
 - 2) Collin CAD Property ID 1634592, being an approximate 10.34 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 83; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
 - 3) Collin CAD Property ID 2776102, being an approximate 0.536 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 27; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
 - 4) Collin CAD Property ID 2120667, being an approximate 18.251 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 61; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
 - 5) Collin CAD Property ID 2510786, being an approximate 8.00 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey, Tract 64; generally located west of Custer Road and approximately 400 feet north of Choate Parkway,
 - 6) Collin CAD Property ID 2616659, being an approximate 3.594 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey (Raelene Addition); generally located north of Choate Parkway and approximately 550 feet west of Custer Road,
 - 7) Collin CAD Property ID 2617829, being an approximate 2.954 acre tract of land in Collin County, Texas, legally described as Abstract No. 1030 in the Jonathan Westover Survey, Tract 6; generally located approximately 300 feet south of Choate Parkway and approximately 1,300 feet east of County Road 86, and
 - 8) Collin CAD Property ID 2647903, being an approximate 3.23 acre tract of land in Collin County, Texas, legally described as Abstract No. 779 in the Levin Routh Survey, Tract 12; generally located at southwest corner of Custer Road and Sunset Boulevard, plus, all county road right-of-way adjacent to the above-described property.

X. ADJOURNMENT:

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

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

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

Date Notice Removed



Mainstreet Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Rebecca Barton, Downtown Development Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Carriage Ordinance

Action Requested:

Presentation regarding the Carriage Ordinance. (Barton)

Supporting Documents:

- Staff Presentation
- Draft Ordinance

Staff Recommendation:

NA

Carriage Ride Ordinance

City Council – Work Session

September 8, 2020

Attachment: Staff Presentation (Carriage Ordinance)

Background

- The City Council formally adopted the Downtown Master Plan in 2019
- Entertainment was among the 4 key themes of the future downtown brand
- Recently, a local business reached out to provide horse-drawn carriage rides in downtown

Attachment: Staff Presentation (Carriage Ordinance)

Process

- Many sample policies from thriving downtowns were reviewed from around the region and State
- Staff met with carriage operators to solicit input regarding their experiences with cities
- The City's committee included Police, Engineering, Legal, and Main Street

Attachment: Staff Presentation (Carriage Ordinance)

Proposed Ordinance Highlights

- Annual registration (and nominal fee)
- Insurance & background checks
- Operator required to follow best practices for animal care & passenger safety (e.g. diapers)
- Carriages also regulated by Texas traffic law
- Route map reviewed by Police & Engineering
- Exemptions: exclusive activities (weddings, funerals, events, etc.)

Policy Considerations

- Carriages add to the ambiance of downtown and conform with the vision outlined in the Downtown Master Plan
- Carriages are common in many regional downtowns
- The proposed ordinance protects the City interests (safety) while also not discouraging the operation
- Ordinance was market-tested by operators

Next Steps

- Discussion & Feedback
- City Council: 10-13-20 ordinance adoption

ORDINANCE NO. 2020-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING THE CITY CODE OF ORDINANCES CHAPTER 4: BUSINESS REGULATIONS TO CREATE A NEW ARTICLE 4.09 HORSE DRAWN CARRIAGES; PROVIDING FINDINGS; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin County and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, the Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City of Celina seeks to encourage economic development in its downtown business and entertainment district; and

WHEREAS, it is the intent of the City Council to allow carriage tours of the community; and

WHEREAS, it is the intent of the City Council to regulate carriage tours as a business activity; and

WHEREAS, it is the intent of the City Council to protect carriage patrons and the public at-large; and

WHEREAS, it is the intent of the City Council to maintain the livability and attractiveness of the community; and

WHEREAS, the City Council desires to set forth certain rules and regulations to ensure such safe operation.

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

SECTION 1
INCORPORATION OF PREMESIS

That, this ordinance shall be, and the same is hereby, deemed to be incorporated into the Code of Ordinances of the City of Celina, Texas.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT**

3.01 That the City Code of Ordinances, Chapter 4, Business Regulations, is hereby amended by adding a new article to be entitled Article 4.09 Horse Drawn Carriages, which shall read as follows:

“ARTICLE 4.09: HORSE DRAWN CARRIAGES

Section 4.09.001 Definitions.

The following words and phrases, when used in this article, shall, for purposes of this article, have the meanings respectively ascribed to them in this section:

Carriage. Any vehicle that is drawn by horse, mule, or any other beast of burden which may be hired for the transportation of passengers.

Carriage Business. Any person or business that operates carriages, wagons, carts, or any other vehicles which are drawn by horse, mule, or any other beast of burden for the purpose of transporting passengers for hire.

Carriage Driver Permit. A permit issued by the City of Celina to an individual driver of a carriage operated by a carriage business that has a valid carriage operator license.

Carriage Operator License. A license issued by the City of Celina for the operation of a Carriage Business. A license is valid for all carriages operated by a single carriage business.

Carriage Stand. -A fixed location for the loading and unloading of passengers.

Section 4.09.002 Carriage Operator License.

- (a) No person may operate a carriage business or carriage within the corporate limits of the City without first obtaining a valid carriage operator license issued by the City.
- (b) Carriage operator licenses shall be issued for an operating period beginning on January 1st of each year and expiring on December 31st of the following year.
- (c) The carriage operator license may be issued by the City Manager or his designee upon

approval of an application that has the following minimum components:

- (1) Name of all persons or business entities that own or control the carriage business.
- (2) List the number and type of carriages to be used.
- (3) Proof of insurance meeting the requirements set forth in this ordinance.
- (4) Proposed areas for loading and unloading carriages, draft animals, carriage stands, and equipment.
- (5) Proposed hours of operation.
- (6) Proposed routes and map thereof.
- (7) Statement acknowledging compliance with best practices for the care of draft animals, carriage maintenance, and all other logistical and operational activities, including sanitary plans for the collection and disposal of manure and excrement.
- (8) A copy of the carriage operator license shall be maintained at the carriage stand during hours of operation and in all operating carriages.
- (9) Carriage operator licenses are not transferable.
- (10) The carriage operator license operator shall provide the City a list of all drivers for appropriate background screening by the City.
- (11) The carriage operator shall sign all legal disclaimer forms required by the City.
- (12) The annual fee for a carriage operator license shall be established by the City's Master Fee Schedule.

Section 4.09.003 Carriage Driver Permit.

- (a) No person may drive a carriage upon the public streets of the City without first obtaining a valid carriage driver permit issued by the City.
- (b) Carriage driver permits shall be issued for an operating period beginning on January 1st of each year and expiring on December 31st of the following year.
- (c) A carriage driver permit may be issued by the City Manager or his designee upon approval of an application that has the following minimum components:
 - (1) Employment by a carriage business holding a valid carriage operator license issued by the City;

- (2) Full legal name of applicant;
 - (3) Date of birth of applicant;
 - (4) Valid driver's license number and issuing state;
 - (5) Home address of applicant; and
 - (6) Home telephone number of applicant.
- (d) A carriage driver permit may be refused or revoked for:
- (1) Failure to maintain a valid vehicle driver's license;
 - (2) Conviction, including probation or deferred adjudication, for driving offenses involving impairment by drugs or alcohol;
 - (3) Conviction of any felony;
 - (4) Conviction of any sex crime or crime against children; and,
 - (5) Conviction for any crime involving animal cruelty or neglect.

Section 4.09.004 Insurance and Indemnification.

- (a) A carriage operator licensee shall pay, and by its acceptance of a license specifically agrees to pay, any and all damages or penalties which the City may be legally required to pay as a result of the carriage operator licensee's operation or maintenance of a horse-drawn vehicle under this article, whether or not the acts or omissions complained of are authorized, allowed or prohibited by the City.
- (b) A carriage operator licensee shall also pay all expenses incurred by the City in defending itself with regard to any and all damages and penalties mentioned in subsection (a) above. The expenses shall include all out-of-pocket expenses, including a reasonable attorney's fee and the reasonable value of services rendered by any employee of the City.
- (c) The carriage operator licensee shall maintain, throughout the term of the permit, liability insurance insuring the City and the licensee with regard to all damages mentioned in the subsections above caused by the carriage operator licensee or its agents, in the minimum amounts required by the City's Purchasing Department:
- (1) The insurance policies obtained by a carriage operator licensee in compliance with this section shall be insured by a company or companies acceptable to the City and a current certificate or certificates of insurance, along with written evidence of payment of all required premiums, shall be filed and maintained

with the City during the term of the permit. The policies shall name the City as an additional insured and shall contain a provision that written notice of cancellation or reduction in coverage of the policy shall be delivered by registered mail to the City at least thirty (30) days in advance of the effective date thereof.

Section 4.09.005 General Operation of Carriages.

The following provisions apply to the operation of carriages and carriage stands within the City of Celina:

- (a) A carriage must display a valid carriage permit issued by the City and have it permanently affixed to the carriage.
- (b) All drivers must display a valid carriage driver permit issued by the City on their person.
- (c) Carriages must be equipped with devices to prevent manure and other excrement from falling on City streets. Any excrement that should fall on a City street shall be removed at the expense of the carriage operator licensee and disposed of in a manner consistent with all health and sanitation standards and laws.
- (d) Carriages are prohibited from operating during the hours from 2:00 a.m. until 8:00 a.m.
- (e) A carriage is required to be equipped with lighting and a slow moving vehicle emblem as required by State law. In addition, the draft animal must be equipped with white, amber, or yellow marker lights or reflective material visible from a distance of 500 feet from the front or sides of the animal.
- (f) A person operating a carriage on a roadway has the rights and duties applicable to the operator of a vehicle under State law or City ordinance, except a right or duty that by its nature cannot apply to a person operating a vehicle drawn by an animal.
- (g) Carriage drivers may not consume alcohol while operating a carriage and may not operate a carriage while intoxicated by alcohol or any other substance.
- (h) A carriage must display a valid carriage permit issued by the City and have it permanently affixed to the carriage.
- (i) All drivers must display a valid carriage driver permit issued by the City on their person.
- (j) Carriages must be equipped with devices to prevent manure and other excrement from falling on City streets. Any excrement that should fall on a City street shall be removed at the expense of the carriage operator licensee and disposed of in a manner consistent with all health and sanitation standards and laws.

(k) The maximum load in any carriage drawn by a single draft animal shall follow best practices.

(l) The driver of a carriage must yield to traffic overtaking the carriage when safe to do so.

Section 4.09.006 Right to Regulate Carriage Traffic.

In the event of emergency, or to expedite traffic, or to safeguard pedestrians, the City may regulate carriage traffic in certain areas. Notice of carriage traffic regulation will be provided to all licensed carriage businesses. This regulation may include:

- (1) Directions of travel on specific roadways;
- (2) Prohibited areas; and
- (3) Defined areas of operation.

Section 4.09.007 Exemptions.

Carriage businesses contracted for exclusive activities that include weddings, funerals, private parties, or private events are exempt from the provisions in this section.

Section 4.09.008 Revocation of Carriage Operator License, and/or Carriage Driver Permit.

All licenses and permits may be revoked by the City Manager or his designee for failure to comply with any provision of this ordinance. Notice of revocation will be delivered by certified mail to the address on file for the affected carriage business and/or carriage driver. Said notice shall be deemed received three (3) business days after the date that the City deposits it in the U.S. mail.

SECTION 4 **CUMULATIVE REPEALER**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 5 **SAVINGS**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of this provision of any other ordinance affecting business regulations which have secured at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but maybe prosecuted until final disposition by the court.

SECTION 6 **SEVERABILITY**

That, if any section or portion of this ordinance is for any reason held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, that section or portion shall be deemed severable and shall not affect the validity of the remaining portions of this ordinance.

SECTION 7 **PENALTY**

Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Five Hundred Dollars (\$500) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs and continues.

If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **PUBLICATION**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 9 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 10
EFFECTIVE DATE

That, this ordinance shall become effective on October 14, 2020.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this the _____ day of _____, 2020.

 Sean Terry, Mayor
 City of Celina, Texas

ATTEST:

 Vicki Tarrant, City Secretary
 City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

 Lance Vanzant, City Attorney

Attachment: Draft Ordinance (Carriage Ordinance)



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dusty McAfee AICP, Director of Development Services
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Subdivision Ordinance

Action Requested:

Presentation regarding the Subdivision Ordinance. (McAfee)

Supporting Documents:

- Staff Presentation
- Draft Ordinance

Staff Recommendation:

NA

Subdivision Ordinance

Annual Update

City Council – Work Session

September 8, 2020

Attachment: Staff Presentation (Subdivision Ordinance)

Background

- The current Subdivision Ordinance was adopted in the summer of 2018, with minor revisions during the 2019 annual update
- Since then, multiple long-range plans have been adopted (Trails, Parks, etc.)
- Part of the implementation of those Plans are to ensure that ordinances are updated to reflect the vision as outlined in the Plans

Attachment: Staff Presentation (Subdivision Ordinance)

Proposed Ordinance Highlights

- Synchronization with the Trails Master Plan, the Parks Master Plan, and the 2019 Zoning Ordinance update
- Clarifying the administrative section on applicability (universal)
- Eliminating extraneous steps in the platting process (recent State law changes)
- General house-keeping and other clean-up

Attachment: Staff Presentation (Subdivision Ordinance)

Policy Considerations

- The maintenance of existing ordinances is best practice in order to maintain a healthy and functioning regulatory framework
- When ordinances match the vision, the desired outcome can be achieved
- All stakeholder departments reviewed and provided input into the proposed revisions (Legal, Engineering, Planning, Fire, Building, & CMO)

Next Steps

- Discussion & Feedback
- City Council: 9-08-20 (work session)
- City Council: 10-13-20 (public hearing)

SUBDIVISION ORDINANCE



City of Celina

September 10, 2019

Attachment: Draft Ordinance (Subdivision Ordinance)

Ordinance Number	Date of Adoption	Summary
2018-32	7/10/2018	New Subdivision Ordinance; repealed all previous Subdivision Ordinances and amendments
2019-37	9/10/2019	Revisions to Subdivision Standards
<u>2020 – XX</u>	<u>10/13/2020</u>	<u>General Revisions & Synchronization with New Plans</u>

**CHAPTER 107.03
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ARTICLE 10.03.000GENERAL SUBDIVISION AUTHORITY OF THE CITY

Sec. 10.03.001AUTHORITY, PURPOSE & APPLICABILITY.

- (a) **Authority.** The regulations of this Subdivision Ordinance are authorized under the TEXAS LOCAL GOVERNMENT CODE, CHAPTER 212 (including Subchapter B) and the City's Charter. The provisions of this Subdivision Ordinance expressly extend to all areas inside the City limits and throughout the City's extraterritorial jurisdiction (ETJ), as either may be adjusted in the future, and as provided in the City's interlocal agreement with Denton and Collin Counties, in accordance with CHAPTER 242 of the TEXAS LOCAL GOVERNMENT CODE.
- (b) **Purpose.**
- (1) The development and subdivision of land, as they affect a community's quality of life, are activities for which regulation is a valid function of municipal government. The regulations contained within this Subdivision Ordinance are intended to protect the interests of the public and of private parties by granting certain rights, privileges, and obligations. The requirements in this Ordinance are also intended to establish a fair and rational procedure for developing and subdividing land such that land will be developed in accordance with existing physical, social, economic, and environmental conditions.
 - (2) The provisions of this Ordinance are intended to implement standards and requirements provided for herein, and shall be requirements for the platting and developing of subdivisions within the City and its ETJ.
 - (3) The provisions of this Ordinance are intended to implement the following objectives:
 - i. Promote the development and the utilization of land in a manner that provides an attractive and high-quality community environment in accordance with the *Comprehensive Plan*, the *Zoning Ordinance*, and other development-related ordinances of the City;
 - ii. Assist orderly, safe, efficient, and coordinated development within the City's limits and its ETJ;
 - iii. Guide and assist property owners and applicants in the correct procedures to be followed, and to inform them of the required standards;
 - iv. Protect the public interest by having standards that include, but are not limited to, the location, design, class and type of streets, sidewalks, trails, alleys, utilities, and essential public services;
 - v. Integrate the development of various tracts of land into the community and coordinate the future development of adjoining tracts;
 - vi. Promote the most efficient and beneficial provision of public facilities and services for each tract being subdivided;
 - vii. Provide for compatible relationships between land uses and buildings;
 - viii. Provide for efficient traffic circulation throughout the municipality;
 - ix. Provide for pedestrian and bicyclist movement that is appropriate within the context of various uses of land and buildings;
 - x. Minimize pollution of the air, streams, bodies of water, and aquifers; promote the adequacy of storm drainage facilities; minimize erosion; safeguard both surface and groundwater supplies, as well as natural resources and endangered or threatened plant and animal life; and encourage the wise use and management of natural resources throughout the municipality in order to preserve the integrity, stability, and beauty of the community and the value of the land;
 - xi. Preserve the natural beauty and topography of public and private properties by encouraging the incorporation of natural features and land forms into developments as amenities;
 - xii. Establish processes that ensure accurate records of land subdivision;

- xiii. Provide for necessary infrastructure that will have sufficient capacity to serve existing and future developments as well as current and future citizens within the City and its ETJ;
- xiv. Provide for adequate light, air, and privacy; safety from fire, flood, and other dangers; and prevent overcrowding of the land and undue congestion of population;
- xv. Encourage the development of residential areas that incorporate a range of housing and lifestyle choices.

(c) **Applicability.**

- (1) The provisions of this Subdivision Ordinance apply to any non-exempt (see Section 10.03.031(d), *Exemptions*) division of land, combination of separate land parcels, and/or development of land within the corporate boundaries of the City and within its ETJ.
- (2) No permit shall be issued for any building or structure on a property until a plat has been approved unless specifically exempted herein.
- (3) Any Land Preparation requires a plat. The Director of Engineering may allow the submission of a site work or grading permit, for review and approval, in lieu of a plat.
- (4) The addition of a dwelling unit onto a tract of land that is not a lot of record.
- (5) The provisions of this ordinance apply to all properties in the City limits and the ETJ, whether in conjunction with or absence of a plat application.

(d) **Subdivision Rules.** The provisions of this Subdivision Ordinance, the standards governing constructed facilities applicable to plats in other portions of the Celina Code of Ordinances, and the technical standards contained in the *Engineering Design Standards*, constitute the subdivision rules of the City, which apply to applications for plat approval inside City limits and within the City's ETJ.

(e) **Engineering Design Standards.** The City of Celina has adopted *Engineering Design Standards* and these standards, as they exist or may be amended, shall remain in force of law and effect and are herein incorporated into the Subdivision Ordinance. The *Engineering Design Standards* may be drafted or revised, from time to time, at the discretion and determination of the Director of Engineering, with approval by the City Council. As revised *Engineering Design Standards* are approved and adopted by the City Council, said standards shall be included and substituted for the existing *Engineering Design Standards*, and shall thereafter have the same force of law and effect as if originally adopted hereby. Any individual may request to receive written notice of any new or amended provision to the *Engineering Design Standards* by providing said request in writing to the Director of Engineering. A copy of the current *Engineering Design Standards* shall be kept on file and available for review with the Director of Engineering's office and on the City's website.

(f) **Compliance with City Plans & Ordinances Required.** Compliance with all City ordinances pertaining to the subdivision and development of land, and the *Comprehensive Plan* (where applicable), shall be required prior to approval of any application pursuant to this Ordinance. All such ordinances and the *Comprehensive Plan* shall be construed to mean those documents as they exist or may be amended. It is the applicant's responsibility to be familiar with, and to comply with, City ordinances, the *Comprehensive Plan*, and the provisions of this Ordinance. Applicable City ordinances and plans with which all applications must comply include, but are not limited to, the following:

- (1) *Comprehensive Plan* (Ordinance No. 2013-06), and as amended.
- (2) *Zoning Ordinance* (Ordinance No. 2006-57), and as amended.
- (3) *Engineering Design Standards*
- (4) *International Building, Residential, and Fire Codes*
- (5) *National Electrical Code*
- (6) *International Energy Conservation Code*

- (7) *Impact Fee Ordinance for Water* (Ord. No. 2003-75), and as amended.
- (8) *Impact Fee Ordinance for Thoroughfares* (Ord. No. 2015-06), and as amended.
- (9) *Drainage Design Manual*
- ~~(9)~~(10) *Neighborhood Vision Book for Single Family, Multi-Family, & Commercial*
- ~~(10)~~(11) Federal, State, and Local Environmental Regulations.
- ~~(11)~~(12) Other applicable portions of the Celina Code of Ordinances.

(g) **Governmental Agency Design Standards.**

The City of Celina, Celina Independent School District, and Prosper Independent School District, City departments, and any county governmental organization, when developing within the city limits, will be required to make best efforts to meet the City's development regulations related to City infrastructure. However, when the overall benefit to the City is reduced due to full compliance with adopted development standards, modified development standards may be administratively approved. This administrative approval shall be conditioned upon meeting the overall intent of the subject ordinance as determined by the City Manager, or his designee, whose decision may be appealed to City Council. (Ordinance 2017-59, adopted 10/10/17)

(h) **Special Provisions.**

- (1) The City of Celina does not issue permits for the installation of septic tanks in the ETJ but may issue permits for installation of septic tanks within the corporate city limits. Permits for septic tanks are limited to lots that are greater than one (1) acre in size exclusive of the house footprint and not located within 600 feet of a City sewer line, unless otherwise allowed by the Director of Engineering based up projected loads and use. Citizens may elect to connect to a sewer line that is greater than 600 feet from the property, but must individually bear the cost of the installation ~~that is in excess of 100 feet~~. A septic system may not be installed upon any lot in a subdivision for which a Final Plat has not been approved and filed for record, or upon any lot in a subdivision in which the standards contained herein or referred to herein have not been complied with in full.
- (2) No building, repair, plumbing, or electrical permit shall be issued by the City for any structure on a lot in a subdivision for which a Final Plat has not been approved, nor for any structure on a lot within a subdivision in which the standards contained herein or referred to herein have not been complied with in full.
- (3) The City Manager and the Director of Engineering may allow sectional development (i.e. phased development) of an approved Final Plat provided that the section of the Final Plat meets all the requirements of this Ordinance in full as though it were a subdivision within itself.
- (4) The City shall not authorize any other person, nor shall the City itself repair, maintain, install, or provide any streets or public utility services in any subdivision for which the standards contained herein or referred to herein have not been complied with in full.
- (5) The City shall not authorize any other person nor shall the City itself sell or supply any water, gas, electricity, or sewerage service within a subdivision for which a Final Plat has not been approved, nor in which the standards contained herein or referred to herein have not been complied with in full.
- (6) On behalf of the City, the City Attorney shall, when directed by the City Council, institute appropriate action in a court of competent jurisdiction to enforce the provisions of this ordinance or the standards referred to herein with respect to any violation thereof which occurs within the City, within the extraterritorial jurisdiction (ETJ) of the City as such jurisdiction is determined under the Municipal Annexation Act, or within any area subject to all or a part of the provisions of this ordinance.

- (7) If any subdivision exists for which a Final Plat has not been approved or in which the standards contained herein or referred to herein have not been complied with in full, the City Council shall pass a resolution reciting the fact that such noncompliance or failure to secure Final Plat approval, and reciting the fact that the provisions of paragraphs (1), (2), (4) and (5) of this section will apply to the subdivision and the lots therein. The City Secretary shall, when directed by the City Council, cause a certified copy of such resolution under the corporate seal of the City to be filed in the Deed Records of Denton or Collin County in which such subdivision or part thereof lies. If full compliance and Final Plat approval are secured after the filing of such resolution, the City Secretary shall forthwith file an instrument, in the Deed Records of the county stating that paragraphs (1), (2), (4) and (5) no longer apply.
- (8) The provisions of this section shall not be construed to prohibit the issuance of permits to any lots upon which a residential building exists and was in existence prior to passage of this Subdivision Ordinance, or to prohibit the repair, maintenance, or installation of any street or public utility services for any residential building, or abutting any sale lot, the last recorded conveyance of which prior to passage of this ordinance was by metes and bounds, and/or any subdivision, or lot therein, recorded or unrecorded, which subdivision was in existence prior to the passage of this ordinance.

Sec. 10.03.002ENFORCEMENT.

(a) Observation of Construction.

- (1) The Director of Engineering, or his duly authorized representative, shall make periodic observation of the construction of improvements for subdivision. Inspection of improvements by the Director of Engineering or his representative, is not intended to and does not relieve the subdivider or his contractor, from ensuring that the improvements are constructed in accordance with the accepted plans and specifications. The subdivider or his contractor shall maintain contact with the Director of Engineering or his representative during construction of improvements.
- (2) No sanitary sewer, water, or storm sewer pipe shall be covered without approval of the Director of Engineering or his representative. No flexible base material, subgrade material, or stabilization shall be applied to the street subgrade without said approval. No concrete shall be poured nor asphaltic surface applied to the base without said approval of Director of Engineering.
- (3) The Director of Engineering or his representative, may at any time cause any construction, installation, maintenance, or location of improvements to cease when, in his judgment, the requirements of this article or the standards and specifications as hereinbefore provided have been violated. Any violation may require such reconstruction or other work as may be necessary to correct any such violation at the expense of the developer. The cost of materials testing shall be borne by the developer. (2004 Code, sec. 159.81)

- (b) **Maintenance Bond.** The subdivider shall furnish a good and sufficient maintenance bond in the amount of ~~ten-one hundred~~ percent (100%) of the contract price of all public improvements, with a reputable and solvent corporate surety in favor of the City, to indemnify the City against any repairs which may become necessary to any part of the construction of public improvements in connection with the subdivision, arising from defective workmanship or materials used therein, for a period of two (2) full years from the date of final acceptance of the improvements. Final acceptance will be withheld until said maintenance bond is furnished to the City and approved by the City Attorney. (2004 Code, sec. 159.82)

(c) Filing, Plat & Other Fees.

- (1) The fees and charges shall be paid to the City when any preliminary plat or final plat or other filing is tendered to the Planning & Zoning Commission or any other authorized board or agency of the

City. Each of the fees and charges provided herein shall be paid in advance and no action of the Commission or any other board or agency of the City shall be valid until the fees and charges shall have been paid to the City.

- (2) Except as hereinbefore provided, these fees and charges shall be charged on all plats and filings, regardless of the action taken by the Commission or any other board or agency of the City and whether the plat or filing is approved or denied. All fees are listed as shown in the City Fee Schedule ordinance, which is a bound and separate document. (2004 Code, sec. 159.83)

- (d) **Penalty.** Any person, firm or corporation who shall violate any of the provisions of this article or who shall fail to comply with any provisions hereof shall be guilty of a misdemeanor and upon conviction, shall be subject to a fine not to exceed the amounts listed in the City's Fee Schedule, and each day that such violation continues shall constitute a separate offense and shall be punishable accordingly. (2004 Code, sec. 159.99)

Sec. 10.03.003 to Sec. 10.03.009. RESERVED

ARTICLE 10.03.010AUTHORITY OF DECISION-MAKERS

Sec. 10.03.011GENERAL PROVISIONS.

- (a) **Source of Authority.** Authority under this Subdivision Ordinance shall be vested in and delegated to the officials and decision-makers designated in Section 10.03.012, *Responsible Official Assigned*, and under the City's Charter, the constitution and laws of the State of Texas, and the Celina Code of Ordinances. This authority shall be deemed supplemental to any other authority lawfully conferred upon the officials and decision-makers. The omission of a citation in this Subdivision Ordinance to any authority conferred upon the officials and decision-makers under the City's Charter, the constitution or laws of the State of Texas, or the Celina Code of Ordinances, or the failure to identify in this article authority conferred by other provisions of this Subdivision Ordinance, shall not be construed as limiting the actions of such officials and decision-makers taken in accordance with and in reliance upon such authority.
- (b) **Implied Authority.** The officials and decision-makers shall have all implied authority necessary to carry out the duties and responsibilities expressly delegated by CHAPTER 212 of the TEXAS LOCAL GOVERNMENT CODE and this Subdivision Ordinance, to the extent that the implied authority is not in conflict with the expressly delegated authority.
- (c) **Limitation on Authority.**
 - (1) City Policy. It is the policy of the City that the standards and procedures applicable to development of property within the city limits and within the City's extraterritorial jurisdiction (ETJ) are as stated in this Subdivision Ordinance, notwithstanding any representation by any City official summarizing, paraphrasing, or otherwise interpreting such standards to the contrary, whether generally or as applied to development of specific property.
 - (2) Representations. The applicant shall not rely on any representation made by an employee of the City, a member of an appointed board or Commission, or a member of the City Council concerning the likelihood of an outcome of that official's decision or the decision of an appointed board, Commission, or City Council, on any application that has yet to be filed or is pending before the City. An official may, however, convey information concerning that official's position on a pending application in accordance with his role as the responsible official for such application or as the City staff contact person.
 - (3) Effect of Comprehensive Plan or Development Standards on Liability Claims. The City's approval of an application under the standards and procedures of this Subdivision Ordinance does not guarantee or ensure that development of the property in accordance with the standards will prevent, minimize, or mitigate harm to adjoining property. A person who undertakes development activities shall not rely on the City's approval of an application as ensuring that the development activities will not result in harm to adjoining property. The regulations contained in this Subdivision Ordinance constitute an exercise of the City's governmental authority, and approval of an application shall not give rise to any liability on the part of the City or its officers, agents, and employees, nor will an approval release the applicant from any liability for harm arising out of development of the property under applicable law.
 - (4) Variances. Except as expressly provided for in Section 10.03.086, *Variances & Modifications*, this Subdivision Ordinance, no official, board or Commission of the City, or the City Council, shall have authority to waive any requirement or standard for an application. Any attempted variance of a requirement or standard for an application in contravention of this section shall hereby be deemed null and void, and, upon discovery, shall be grounds for revocation of a permit or approved application.
- (d) **Conflict in Authority.** If any of the provisions of this Subdivision Ordinance are in apparent conflict, the Director of Development Services shall, after due consideration as to the purpose and intent of each

conflicting provision, make a determination as to which provision shall apply. The Director of Development Services shall make every effort to be fair and consistent in such interpretations, and his decision may be appealed to the City Manager (see Section 10.03.016, *City Manager & Other Officials*), unless otherwise noted within.

Sec. 10.03.012RESPONSIBLE OFFICIAL ASSIGNED.

- (a) **Responsible Official.** The responsible official shall be the Director of a designated City department who is assigned responsibility under this Subdivision Ordinance for taking the following actions with regard to a particular type of application authorized under this Subdivision Ordinance.
- (1) Accepting the application for filing, and processing an application;
 - (2) Reviewing and making recommendations concerning an application;
 - (3) Seeking advice of other City departments, and coordinating any recommendations from such departments concerning an application;
 - (4) Determining a request for exemption;
 - (5) Preparing reports to and advising any board, Commission or the City Council that has responsibility for making recommendations on or approving/denying an application;
 - (6) Promulgating additional or modified policies, standards and administrative rules for adoption by the City Council that apply to an application;
 - (7) Initiating enforcement actions concerning compliance with the standards applicable to an application and the conditions imposed thereon; and
 - (8) Taking all other actions necessary for administration of the provisions of this Subdivision Ordinance with respect to an application, petition, approval, or appeal.
- (b) **Delegation.** The responsible official may delegate the official authority under this Subdivision Ordinance to subordinate employees, who shall thereupon be deemed the responsible official for purposes of carrying out the delegated duties.

Sec. 10.03.013DIRECTOR OF DEVELOPMENT SERVICES.

- (a) **Responsible Official.** The Director of Development Services is the responsible official for the following types of applications, waivers, variances and petitions:
- (1) Review and staff report, including a staff recommendation for approval/denial, for any type of plat;
 - (2) Extension of a plat approval;
 - (3) Appeal of a decision on any application for which the Director of Engineering is the responsible official;
 - (4) Vested rights petition for any application when the Director of Development Services is the responsible official.
 - ~~(5) Review recommendations by the Parks Board, and carry out the Board's decisions, on the following types of applications:~~
 - ~~i. Acceptance of fees in lieu of parkland dedication;~~
 - ~~ii. The portion of an application showing where park land, including trails, is to be dedicated, and whether such dedication is acceptable;~~
 - ~~iii. (5) Any other portions of applications showing items required by Article 10.03.080, Parks and Open Space.~~
- (b) **Final Decision-Maker.** The Director of Development Services is the final decision-maker for the following types of applications (subject to any appeal):
- (1) Minor Plat, as outlined in Section 10.03.035, *Minor Plats*;
 - (2) Final Plat, as outlined in Section 10.03.034, *Final Plats*;

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- (2) Amending Plat, as outlined in Section 10.03.037, *Amending Plats*;
- (3) Extension for a Preliminary Plat approval, as outlined in Section 10.03.033, *Preliminary Plats*; and
- (4) Certain types of Vested rights petitions, as outlined in Section 10.03.087, *Vested Rights*.

Sec. 10.03.014DIRECTOR OF ENGINEERING.

- (a) **Responsible Official.** The Director of Engineering is the responsible official for the following types of applications:
 - (1) Review of construction plans, including all engineering plans and related construction tasks, and approval of contracts for public improvements, as outlined in Section 10.03.041, *Construction Plans*;
 - (2) Time extensions for construction plans, as outlined in Section 10.03.041(h), *Extension*;
 - (3) Construction Releases, as outlined in Section 10.03.041(i), *Construction Release*;
 - (4) Development Agreement, as outlined in Section 10.03.044, *Development Agreements*;
 - (5) Appeal related to an application for which the Director of Engineering is the responsible official;
 - (6) Certain types of Variances (related to construction requirements), as outlined in Section 10.03.086, *Variances & Modifications*; and
 - (7) Vested rights petition for an application for which the Director of Engineering is the responsible official, as outlined in Section 10.03.087, *Vested Rights*.
- (b) **Final Decision-Maker.** The Director of Engineering is the final decision-maker for the following types of applications (subject to any appeal):
 - (1) Approval of construction plans, including all engineering plans and related construction management tasks, and approval of contracts for public improvements;
 - (2) Construction Release;
 - (3) Extension for construction plans approval; and
 - (4) Certain types of Vested Rights petitions for an application for which the Director of Engineering is the initial decision-maker.

Sec. 10.03.015DIRECTOR OF PARKS & RECREATION.

- (a) **Responsible Official and Initial Decision-Maker.** The Director of Parks & Recreation is the responsible official for the review and recommendation to the Parks Board and for carrying out the Board's decisions; on the following types of applications:
 - ~~(1) Acceptance of fees in lieu of parkland dedication;~~
 - ~~(2) The portion of an application showing where park land, including trails, is to be dedicated, and whether such dedication is acceptable; and~~
 - ~~(3) Any other portions of applications showing items required by Article 10.03.080, *Parks and Open Space*.~~

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Sec. 10.03.016CITY MANAGER & OTHER CITY OFFICIALS.

- (a) **City Manager.** Any decision which is made by a staff person other than the Director of Development Services shall be reviewed first by the Director of Development Services. Any decision that cannot be resolved by the Director of Development Services shall be appealed to the City Manager, who is the appellate decision-maker for any appeal for which the Director of Development Services is responsible.
- (b) **Fire Chief.** No provision contained in this Subdivision Ordinance shall be deemed or interpreted as a limitation on the Fire Chief's exclusive authority as set forth in the International Fire Code, especially as the decision relates to health and safety issues.
- (c) **Other City Officials.** The City Attorney and any other official delegated responsibilities under this

Subdivision Ordinance or other provisions of the Code of Ordinances are authorized to take all actions necessary to carry out their responsibilities in accordance with the requirements and limitations prescribed herein.

Sec. 10.03.017PLANNING & ZONING COMMISSION.

- (a) **Organization, Powers, and Duties.** The Planning & Zoning Commission (also referred to as the "Commission") shall hold meetings and have the powers and duties as provided for in the Code of Ordinances of the City (Code of Ordinances, Chapter 106, *Zoning*), and as authorized by CHAPTER 211 AND 212 OF THE TEXAS LOCAL GOVERNMENT CODE. Such powers and duties shall include exercising all the authority and control conferred by law relating to platting.
- (b) **Staff Liaison.** The Director of Development Services shall act as the staff liaison to the Commission, and shall abide by the City's usual record-keeping and retention policies for boards and commissions, as amended, in maintaining records of the Planning & Zoning Commission's meetings and actions.
- (c) **Authority for Deciding Applications.** The Commission shall have the final authority to act on the following types of applications:
 - (1) Conveyance Plats;
 - (2) Preliminary Plats;
 - ~~(3) Final Plats;~~
 - ~~(4)(3)~~ Replats (at a public hearing);
 - ~~(5)(4)~~ All other types of plats, with the exception of Minor Plats and Amending Plats (which may be decided by the Director of Development Services, unless deferred to the Commission).
- (d) **Authority for Deciding Appeals.** The Commission shall hear and decide the following appeals:
 - (1) Any Variance petition on an application for a Preliminary Plat, Final Plat, or Replat;
 - (2) Minor Plat or Amended Plat that is deferred by the Director of Development Services, as outlined in Section 10.03.035(h), *Appeal of Decision on Minor Plat Application*, or Section 10.03.038(i), *Appeal of Decision on Amending Plat Application*, as applicable;
 - (3) Any other appeal so authorized by this Ordinance.

Sec. 10.03.018CITY COUNCIL.

- (a) **Authority for Deciding Appeals.** The City Council shall hear and decide appeals from decisions made by the Commission when such appeals are authorized by this Ordinance.

Sec. 10.03.019RESERVED.

ARTICLE 10.03.020 SUBMITTAL PROCESS

Sec. 10.03.021PRE-SUBMITTAL MEETING (Development Review Committee Meeting).

- (a) **Optional Development Review Committee Meeting.** Prior to the official submission of an application for review and consideration, applicants are strongly encouraged to contact the Development Services staff to schedule a Development Review Committee (DRC) Meeting. This meeting will alert the applicant to the ordinances that apply to the specific project.
- (b) **Members of DRC.** Members of DRC are made up of representatives from the departments that have direct communication with all aspects of the development process: Planning, Engineering, Building, Fire, Public Works, Health, and Parks.
- (c) **Meeting Request.** To schedule a DRC Meeting, the applicant requests a DRC Meeting with the Development Services staff, and such request shall describe the type of development desired and/or the type of application intended for submittal along with an initial concept plan. The applicant shall then be notified by the Development Services staff of the time and place for the requested meeting.
- (d) **Vested Rights.** There shall be no vested rights based on the DRC Meeting.
- (e) **Effect.** Following the DRC Meeting, the applicant may proceed with the submittal of the appropriate application(s), including, but not limited to, the Conveyance or Preliminary Plat, Final Plat, Civil Plans, and Building Plans.

Sec. 10.03.022APPLICATION CONTENTS.

- (a) **Application Contents Generally.** All applications shall be submitted on a form supplied by the Development Services staff with the required information and exhibits as stated on the application form. Incomplete applications shall not be accepted.
- (b) **Application Timing.**
 - (1) Development Services staff shall establish submittal deadlines for all applications decided by the Director of Development Services and by the Commission. Such submittal schedule will be posted on the City website.
 - (2) An application must be considered officially complete in accordance with Section 10.03.023(c), *Determination of Completeness*, of this Subdivision Ordinance prior to being processed for review and consideration.
- (c) **Fees Required.** Every application shall be accompanied by the prescribed fees set forth in the City's Fee Schedule, as approved by City Council and as may be amended from time to time. Fees are not refundable and are not a guarantee of approval. Review of the application will not begin until the appropriate fees have been processed by the City.

Sec. 10.03.023APPLICATION SUBMITTAL PROCESS.

- (a) **Initiation by Owner.** An application required under this Subdivision Ordinance may be initiated only by the owner of the land subject to the application, or by the owner's duly authorized representative. If the applicant is a representative of the property owner, the application shall include a written and notarized statement from the property owner, such as a duly executed Power of Attorney, authorizing the representative to file the application on the owner's behalf.
- (b) **Applicability.** The procedures within this Chapter shall apply to all applications that are required by the City and submitted in accordance with this Subdivision Ordinance.
- (c) **Official Filing Date.** The 30-day time period established by State law and by this Subdivision Ordinance

shall begin on the "Official Filing Date." The Official Filing Date is further defined as the date on which the plat has met all the requirements of the Subdivision Ordinance following staff or administrative review, fees have been paid, and that plat is scheduled for final approval by the Planning & Zoning Commission by placing the plat on the Commission agenda.

- (d) **Owners Dedication Language.** Refer to the ~~Development Handbook~~ [plat checklist](#) (available online) for the appropriate owner dedication language to include on the plat and all other plat signature block wording and form.

Sec. 10.03.024REVISIONS & APPROVAL.

- (a) **Action by Responsible Official.** The responsible official for an application shall initiate internal (i.e., by City departments) review and assessment of the application according to the City's development review procedures. The responsible official shall also, to the extent possible, work with the applicant by advising on and communicating revisions that may be necessary to bring the application into compliance with City regulations in preparation for consideration by the appropriate decision-maker.
- (b) **Revisions to Exhibits.** The responsible official may enumerate to the applicant such revisions to the plat exhibits as are necessary to bring the exhibit into compliance with the Subdivision Ordinance. Such revisions shall be made by the applicant or his agent in a timely fashion.
- (c) **Decision.** The decision-maker for the application shall approve, approve with conditions, or deny the application within the time period prescribed by this Subdivision Ordinance.
- (d) **Conditions Attached.** The decision-maker may attach such conditions to the approval of an application as are reasonably necessary to ensure compliance with all applicable requirements of this Subdivision Ordinance. These conditions of approval shall be completed prior to the plat being filed for record in Denton or Collin County.
- (e) **Notification of Decision.** The City shall send written notice of a decision on an application within fourteen (14) calendar days following the approval date. This written notice will include any future steps the applicant must take.
- (f) **Notification of City Appeal.** Whenever an appeal is requested from a final decision on an application following a public hearing, or whenever the City is to consider revocation of an application that was obtained following a public hearing, personal notice of the appeal, or revocation proceeding shall be provided to the applicant.

Sec. 10.03.025AMENDMENTS & EXPIRATION OF CURRENT PROJECTS.

- (a) **Amendments/Revisions to an Approved Application.** Unless another method is expressly provided by this Subdivision Ordinance, any request to amend or revise an approved application shall be considered a new application, which must be considered in accordance with the procedures governing the original application and the standards in effect at the time such new application is filed with the City.
- (b) **Expiration.**
 - (1) Unless otherwise expressly provided by this Subdivision Ordinance, an approved application for a plat or civil plans shall automatically expire one (1) year following the approval date of the application (see Section 10.03.041(g), *Expiration of Construction Plans*), and shall become null and void, and all activities under the application thereafter shall be deemed in violation of this Subdivision Ordinance, if:
 - i. The applicant fails to satisfy any condition that was imposed by this Subdivision Ordinance or

as part of the approval of the application or that was made under the terms of any Development Agreement, within the time limits established for satisfaction of such condition or term; or

- ii. The applicant fails to submit a subsequent complete application required by this Subdivision Ordinance within the time so required; or
- iii. A Development Agreement has not been approved for the development.

(2) The Director of Engineering may extend the time of expiration for the plat or construction plans by one (1) year if the applicant has requested the extension in writing and listed the cause for the delay. Any further extension of the expiration date shall be considered by the Planning & Zoning Commission and the Commission's decision shall be final.

(1) If no time limit for satisfaction of conditions is specified in the decision on the application, the time shall be presumed to be two (2) years following the date the application was approved, except as provided through a vested rights petition.

(2) An expiration date may differ from the first anniversary of approval upon approval of a different date being determined pursuant to a vested rights petition (Section 10.03.087, *Vested Rights*).

- (c) **Effect of Expiration.** Upon the expiration of an approved application, all previously approved applications for the same land shall also expire on the expiration date if the filing of an application was required to avoid expiration for the previously approved application(s), except as provided in Section 10.03.027, *Expiration*. Thereafter, a new application must be submitted for consideration and approval subject to regulations in effect at the time the new application is filed.

Sec. 10.03.026EXPIRATION (Projects Approved Prior to the Establishment of this Subdivision Ordinance).

- (a) **Two-Year Expiration Established.** Notwithstanding any other provision of this Subdivision Ordinance, for any approved application for which no expiration date was in effect on the date this Subdivision Ordinance was duly adopted by City Council, an expiration date of two (2) years following the date of approval of the application shall apply, unless the applicant files a written petition before such date for a vested rights determination pursuant to Section 10.03.087, *Vested Rights*, alleging that progress has been made toward completion of the project for which the application subject to expiration was filed. If a vested rights petition is timely filed and subsequently approved, the City Council shall determine the expiration date of the application in deciding the petition.
- (b) **Five-Year Expiration Established.** Notwithstanding any other provision of this Subdivision Ordinance, once an application has expired as described above, all previously approved applications for the same land also shall expire no later than five (5) years following the date of filing of the first application for the project for which the expired application was filed, unless the applicant files a written petition before such date for a vested rights determination pursuant to Section 10.03.087, *Vested Rights*. If a vested rights petition is timely filed and subsequently approved, the City Council shall determine the expiration date of the previously approved applications in deciding the petition.

Sec. 10.03.027 to 10.03.029 RESERVED.

ARTICLE 10.03.030SUBDIVISION PROCEDURES

Sec. 10.03.031SUBDIVISION PROCEDURES & PLAT TYPES.

(a) Approval Required.

- (1) Unless and until any plat, plan, or replat shall has been first approved in the manner provided by law, it shall be unlawful for any person, firm, corporation, or organization to construct or cause to be constructed any streets, utilities, buildings, or other improvements to any tract of land; and any official of the City shall not issue any permit for such improvements or to serve or connect said land, or any part thereof, or for the use of the owners or purchasers of said land, or any part thereof, with any public utilities such as water, sewers, lights, gas, etc., which may be owned, controlled, distributed, franchised, or supplied by the City.
- (2) No building permits will be issued for the construction of any building on any unplatted land within the City and the City's extraterritorial jurisdiction (ETJ). Minor repair permits may be issued for an existing structure. When additions, alterations, or repairs within any twelve (12) month period exceed fifty percent (50%) of the value of an existing building or structure on previously unplatted property, the land upon which such building or structure is located shall be platted in accordance with the provisions of this chapter.

(b) Improvements Required.

- (1) Responsibility for Improvements. All of the improvements required under these regulations, or improvements specified in the *Comprehensive Plan* of the City, or improvements which, in the judgment of the Director of Engineering, are necessary for the adequate provision of streets, utilities, drainage, services, and facilities to the subdivision and to the surrounding areas of the City, shall be constructed at the sole expense of the developer, unless otherwise provided for and approved by City Council. All improvements required by this ordinance shall be constructed and accepted by the Director of Engineering prior to filing the associated plat, unless otherwise specified in a binding contractual Development Agreement approved by City Council. Payment for any and all improvements that are not to be made at the time of the primary construction of the subdivision or development shall be made a part of the signed and executed Development Agreement.
- (2) Plats Prior to Development. Plats may not be used as a mechanism to establish boundaries without the dedication of required infrastructure, such as public utilities easements, right-of-way dedication, and any other requirement of this Subdivision Ordinance. Platting of property is reserved for those properties that are anticipating immediate development, with the exception of Conveyance Plats.

(c) Types of Plats Required.

- (1) Final Plat or a Minor Plat. A Final Plat or Minor Plat must be approved prior to any land division that is subject to these regulations and prior to commencement of any new development or construction project. A Conveyance Plat may be approved for the reasons enumerated in Section 10.03.032(a), *Purpose*, but no vertical construction may occur until an associated Final Plat or Minor Plat is approved.
- (2) Replat. A Replat in accordance with State Law and the provisions of Section 10.03.036, *Replats*, shall be required any time a platted, recorded lot is further divided or expanded, thereby changing the boundary and dimensions of the property. In the case of minor revisions to recorded plats or lots, a Minor Plat or Amending Plat may also be utilized if allowed by State Law and if in accordance with Section 10.03.035, *Minor Plats*, Section 10.03.036, *Replats*, and 10.03.037, *Amending Plats*, respectively.

- (d) **Exemptions.** The following land divisions are exempt from the requirements of this Subdivision Ordinance that apply to plats:
- (1) Use of existing cemeteries complying with all State and local laws and regulations; and
 - (2) A division of land created by order of a court of competent jurisdiction, provided however, that prior to construction of improvements, a plat meeting the requirements of this Ordinance shall be approved and recorded prior to the issuance of permits.
- (e) **Zoning.** A property within the City's corporate limits that is being proposed for platting or development must be properly zoned by the City prior to submission of an application for approval of any concept plan or plat. In addition, the proposed development layout or subdivision design shown on the proposed concept plan or plat must be in conformance with all standards and requirements prescribed in the City's zoning ordinance and this division.
- (1) Conformance with Existing Zoning. All applications shall be in conformance with the existing zoning on the property, as applicable.
 - (2) Request to Rezone Prior to Platting. If an applicant seeks to change the zoning for the property, the request to rezone the land shall be submitted and approved prior to acceptance of an application for any type of plat for recordation unless as otherwise provided below:
 - i. The applicant may request approval from the Director of Development Services to submit a plat application simultaneously with the zoning change request, in which case the application for the zoning amendment shall be acted upon first.
 - ii. In the event that the requested zoning amendment is denied, the plat application shall also be denied.
 - iii. It is not necessary to rezone the tract prior to the submittal and approval of a Conveyance Plat which is exclusively for the purpose of the sale of land and not as a precursor to development.
 - iv. It is not necessary to zone or rezone the tract prior to the submittal and approval of any plat within the City's ETJ, since the ETJ is not subject to the Zoning Ordinance.
 - (3) Site Plan Approval. Where Site Plan or Concept Plan approval is required by the Zoning Ordinance, a Conveyance Plat or Preliminary Plat shall be submitted prior to or concurrently with the Site Plan or Concept Plan application so the interrelated plans may be reviewed to determine if they will function together. A Final Plat may be submitted concurrently with the Site Plan application or at a later date.
- (f) **Stages of Plat Approval, Staff Review, & Approval.**
- (1) Preliminary and Final Plats. The platting process of land not previously platted typically involves two (2) approval stages: submission and approval of a Preliminary Plat (or Conveyance Plat under certain circumstances) and subsequent submission and approval of an associated Final Plat. However:
 - i. An applicant may proceed with the plat to be recorded without an approved Conveyance Plat or Preliminary Plat if one of the following conditions apply:
 - a. A Minor Plat is sufficient for submittal; or
 - b. A Concept Plan for a multi-family, single-family attached or nonresidential development is submitted and approved in accordance with the Zoning Ordinance.
 - c. The lot in question is less than two acres in size and will be developed in one phase.
 - ii. An applicant may submit construction plans and a Final Plat (or Minor Plat) simultaneously in lieu of a Preliminary Plat if a Development Agreement and appropriate surety (see Section 10.03.044, *Development Agreements*) are submitted along with the application.
 - (2) Staff Review. Unless otherwise specified under the regulations for a specific type of plat:
 - i. The Director of Development Services shall be the responsible official for processing a plat,

- and shall be responsible for the initial review of a plat for conformance with this Subdivision Ordinance and any other applicable ordinances of the City.
- ii. The Director of Development Services shall direct other City staff to review all applications for conformance with this Subdivision Ordinance and with other applicable City regulations and supply to the applicant a list of revisions necessary for compliance with the Subdivision Ordinance, if warranted.
 - (3) Approval. Authority for the approval of plats is granted by the State to either the Planning & Zoning Commission or the Director of Development Services. See individual plat descriptions, below, for the appropriate approval authority.
 - (4) Signatures Required on Filed Plats. When any plat is prepared for filing with Denton or Collin County, each copy to be certified by the County must be signed by the Chairman of the Planning & Zoning Commission and a City Official of Celina, defined as being one of the following: the Mayor, the City Manager, or an Assistant City Manager. Both signatures shall be attested by the City Secretary.
 - (5) Director of Engineering Signature Required. When any plat is prepared for filing with Denton or Collin County, and the installation of public improvements is required prior to the recordation of the plat, the Director of Engineering shall also endorse the plat after all conditions of approval of the plat have been satisfied and all public improvements completed to the City's specifications. There shall be written evidence that the required public improvements have been installed in a manner satisfactory to the City as shown by a certificate signed by the Director of Engineering stating that the necessary dedication of public lands and installation of public improvements has been accomplished.

Sec. 10.03.032CONVEYANCE PLATS.

(a) **Purpose.** There are several purposes of a Conveyance Plat:

- (1) To subdivide land and to provide for recordation of same, for the purpose of conveying (i.e., selling) the property without developing it in the near future. A Conveyance Plat may be used to convey the property or interests therein; however, a Conveyance Plat does not constitute approval for any type of development on the property. A Conveyance Plat is an interim step in the subdivision and development of land.
- ~~(2) To establish a general layout of lots as a preliminary step to Final Platting. In this case, the Conveyance Plat shall establish and show necessary fire lanes and other easements when a portion of the Conveyance Plat tract is being Final Platted. For example, a Conveyance Plat lays out the tract into multiple lots and only one of those lots will be Final Platted. However, no vertical construction may occur on any portion of a Conveyance Plat that has not subsequently been Final Platted. This function of a Conveyance Plat eliminates the necessity of filing legal Separate Instruments with Denton or Collin County for off-site improvements necessary for the development of the lot being Final Platted (see Diagram 10.03.112, Median and Cross Access).~~
- ~~(3) To record the remainder of a tract that is larger than five (5) acres, and that is created by the Final Platting of a portion of the property, provided that the remainder is not intended for immediate development.~~
- ~~(4) To record the subdivision of property into parcels, five (5) acres or smaller in size, that are not intended for immediate development, provided all required public improvements exist to the City's current standards prior to approval and minimum frontage requirements are met. All public rights-of-way, fire lanes, and access easements must be dedicated and all abutting streets and utilities must be installed and accepted by the City. Installation of on-site improvements may be deferred if development of other tracts is not affected.~~

(b) **Review and Consideration.**

- (1) Unless otherwise specified within this section for specific requirements for a Conveyance Plat, a Conveyance Plat shall be processed and approved using the same timing and procedures, including recordation, as specified for a Final Plat. Procedures to appeal a decision on a Conveyance Plat shall also be processed and considered the same as a Final Plat.
 - (2) Specific requirements for the plat exhibit may be found on the City of Celina Development Services webpage under *Plat Checklists*.
 - ~~(3) A Conveyance Plat shall be accompanied by a Concept Plan (see Section 10.03.047) regardless if the development of the tract is to be postponed in order to ensure that accepted development practices will be applied to the parcel in the future and the Conveyance Plat will not create an undevelopable tract of land.~~
- (c) **Subsequent Filing of a Final Plat.** No Final Plat processed and approved in association with a Conveyance Plat shall be filed without the concurrent or prior filing of the associated approved Conveyance Plat for the remainder of the subject property.
- (d) **Conveyance Plat Limitations.**
- (1) No building or development permit shall be issued nor permanent utility service provided for land that has only received approval as a Conveyance Plat; a Final Plat must be filed for building and development permits and for utility service.
 - (2) A Conveyance Plat may be superseded by a revised Conveyance Plat or a Final Plat in total or in part through compliance with the procedures and requirements of this Ordinance.
- (e) **Standards for Approval.**
- (1) Access. All lots created by a Conveyance Plat shall have access to an improved public street that meets the City's minimum design and paving standards. All lots created by a Conveyance Plat shall provide points of access as required by the Zoning Ordinance and/or by this Ordinance.
 - (2) Reservation of Rights-of-Way. Conveyance plats must provide for the reservation of future rights-of-way of planned roadways, as shown on the Master Thoroughfare Plan. Right-of-way reservation acknowledges the future obligation to dedicate right-of-way for public thoroughfares and streets specified on the City's Thoroughfare Plan or approved Concept Plan. Reservation of right-of-way does not grant any right or interest in the property to the City, State, or other government entity. The final alignment of such roadways may be adjusted upon Final Platting in order to meet the standards of the *Engineering Design Standards*.
 - (3) Dedication of Rights-of-Way. Dedication of right-of-way shall be required where a Conveyance Plat is used to record the remainder of a tract created by the Final Platting of a portion of the property. The required right-of-way dedication shall be limited to that which is necessary to provide access to the property proposed for the Final Plat approval and to complete turn lanes, intersections, and transitions in road pavement width resulting from development of the property proposed for the Final Plat approval and what is considered to be roughly proportional to the impact of the development (see Section 10.03.088, *Rough Proportionality*, for more information). The Director of Engineering or Fire Marshal may require a temporary paved turn-around if a street is stubbed pending future construction.
- (f) **Approval of Conveyance Plats.** The Planning & Zoning Commission is authorized to approve, approve with conditions, or disapprove Conveyance Plats.
- (g) **Effect of Approval.**
- (1) The approval of a Conveyance Plat authorizes the sale of the lot(s) created thereon, but does not authorize any type of development on the property. The applicant and future owner(s) of the property remain obligated to comply with all provisions in this Subdivision Ordinance upon future

development of the property including, but not limited to, all requirements for platting, required public improvements, utility extensions, street improvements or assessments, right-of-way and easement dedications, and all other requirements in this Subdivision Ordinance.

- (2) Neither reservation nor dedication of right-of-way shall relieve the property owner from obligations for street construction or assessments associated with public street improvement programs.
- (3) Easements for access, utilities, and drainage may be recorded on Conveyance Plats.
- (4) No building permit shall be issued nor permanent utility service provided for land which has only received approval as a Conveyance Plat. Notwithstanding the above, the Building Official may authorize temporary building permits, temporary occupancy permits, and temporary utility service prior to Final Plat approval and recordation, if deemed appropriate.

Sec. 10.03.033PRELIMINARY PLATS.

- (a) **Purpose.** The purpose of a Preliminary Plat is to determine the general layout of the subdivision, the adequacy of public facilities needed to serve the intended development, and the overall compliance of the land division with applicable requirements of this Subdivision Ordinance and the Zoning Ordinance regulations for each zoning district. A Preliminary Plat is not recorded in the County. ~~If a development is to be constructed in phases, a Conveyance Plat may be substituted for a Preliminary Plat should the lots be Final Platted separately and off-site easements need to be filed for record.~~
- (b) **Exceptions.**
 - (1) A Preliminary Plat is not required when a Minor Plat or Amending Plat is adequate.
 - (2) A Preliminary Plat is not required when the proposed development is a single phase and/or less than 300 lots, if the Concept Plan associated with a Development Agreement or Planned Development contains sufficient data as required by the Engineering Department, or at the discretion of the Director of Engineering.
 - (3) A Final Plat in accordance with Section 10.03.034, *Final Plats*, along with construction plans in accordance with Section 10.03.041, *Construction Plans*, may be submitted in lieu of a Preliminary Plat if a Development Agreement and appropriate surety are submitted along with the application. at the discretion of the Director of Engineering.
- (c) **Accompanying Applications.**
 - (1) An application for a Preliminary Plat shall be accompanied by a Preliminary Drainage Plan, a Preliminary Utility Plan, and other plans deemed necessary for thorough review by the Director of Development Services or the Director of Engineering. However, approval of each shall be separate and in accordance with this Section 10.03.033, *Preliminary Plats* and with Section 10.03.041, *Construction Plans*.
 - (2) The applicant shall furnish as part of the Preliminary Plat submittal a current title commitment issued by a title insurance company authorized to do business in Texas, a title opinion letter from an attorney licensed to practice in Texas, or some other acceptable proof of ownership, identifying all persons having an ownership interest in the property that is the subject of the Preliminary Plat.
 - (3) Specific requirements for the plat exhibit may be found on the City of Celina Development Services webpage under *Plat Checklists*.
- (d) **Review by Director of Development Services.** The Director of Development Services shall:
 - (1) Initiate review of the plat and materials submitted (including the required Preliminary Drainage Plan and Preliminary Utility Plan).
 - (2) Request written comments from other City departments, such as Engineering, Fire, Parks & Recreation, or other departments, as deemed necessary, which will be submitted to the applicant for compliance and revisions.

- (3) Provide and make available the plat exhibit and reports to the Commission for review.
- (4) Upon determination that the application is ready to be acted upon, schedule the Preliminary Plat for consideration on the agenda of the next available meeting of the Planning & Zoning Commission.
- (e) **Action by Planning & Zoning Commission.** The Commission shall:
- (1) Review the Preliminary Plat application, the findings and recommendation of the Director of Development Services, and any other information available. From all such information, the Commission shall determine whether the Preliminary Plat conforms to the regulations of this Subdivision Ordinance.
 - (2) Act within thirty (30) calendar days following the official filing date of the Preliminary Plat application. If no decision is rendered by the Commission within the thirty (30) day period, the Preliminary Plat, as submitted, shall be considered to be approved.
 - (3) Take one of the following actions:
 - i. Approve the Preliminary Plat;
 - ii. Approve the Preliminary Plat with conditions, which shall mean that the Preliminary Plat shall be considered to have been approved once such conditions are fulfilled; or
 - iii. Deny the Preliminary Plat.
- (f) **Standards for Approval.** The following criteria shall be used by the Commission to determine whether the application for a Preliminary Plat shall be approved, approved with conditions, or denied:
- (1) The Preliminary Plat is consistent with all zoning requirements for the property, including any applicable Planned Development zoning standards, and with any approved Development Agreement, if applicable;
 - (2) The proposed provision and configuration of public improvements including, but not limited to, roads, water, wastewater, storm drainage, park facilities, open spaces, habitat restoration, easements and rights-of-way are adequate to serve the development, meet applicable standards of this Subdivision Ordinance, and conform to the City's adopted master plans for those facilities;
 - (3) The Preliminary Plat is in accordance with the City's interlocal agreement with Denton or Collin County if the proposed development is located in whole or in part in the ETJ of the City;
 - (4) The Preliminary Plat has been duly reviewed and accepted as meeting the requirements of the Subdivision Ordinance by City staff;
 - (5) The Preliminary Plat conforms to design requirements and construction standards as set forth in the *Engineering Design Standards*;
 - (6) The Preliminary Plat is consistent with the *Comprehensive Plan*, except where application of the Plan may conflict with State law (e.g., land use in the ETJ); ~~and~~
 - (7) The proposed development represented on the Preliminary Plat does not endanger public health, safety or welfare; and
 - (8) The formal recommendation from Staff based upon the above criteria.-
- (g) **Approval of Preliminary Plats.** The Planning & Zoning Commission is authorized to approve, approve with conditions, or disapprove Preliminary Plats. Preliminary Plats may be approved on the Consent Agenda.
- (h) **Effect of Approval.** The approval of a Preliminary Plat shall allow the applicant to proceed with the next step in the development and platting process by submitting a Final Plat and Construction Plans, and later submit an application for a Building Permit. Approval of the Preliminary Plat shall be deemed general approval of the subdivision's layout only, and shall not constitute approval or acceptance of construction plans or the associated Final Plat.
- (i) **Appeal of the Decision on a Preliminary Plat Application.**
- (1) Initiation of an Appeal. The applicant may appeal the decision of the Commission by submitting a

written notice of appeal to the Director of Development Services within fourteen (14) calendar days following the date of the Commission's decision. A letter stating the reasons for the appeal, citing the specific applicable section(s) of the Subdivision Ordinance, shall be submitted by the applicant to the Director of Development Services.

- (2) Council Decision. Once the formal appeal is made, staff will schedule the hearing to be heard by the City Council at the first scheduled public meeting that meets the published deadline of the City Secretary. The City Council may affirm, modify or reverse the decision of the Commission by simple majority vote. The decision of the City Council is final.

(j) **Expiration.**

- (1) Two-Year Validity. The approval of a Preliminary Plat shall remain in effect for a period of two (2) years following the date of approval, during which period the applicant shall submit and receive approval for construction plans and a Final Plat for a portion or all of the land area shown on the Preliminary Plat. If construction plans and a Final Plat application have not been approved within the two (2)-year period, the Preliminary Plat shall automatically expire.
- (2) Phased Developments. A Final Plat and construction plans must be approved within two (2) years of the approval of the Preliminary Plat. When a project is phased, the Preliminary Plat may be extended for a period of one (1) year, during which time a subsequent Final Plat and construction plans must be approved. Preliminary Plats may be extended automatically for a period of one (1) so long as substantial activity on the property continues.
- (3) Relationship to Construction Plans. A Preliminary Plat shall remain valid for the period of time in which approved construction plans are valid.
- (4) Action on Final Plat. Should a Final Plat application be submitted within the two (2)-year period, but not be acted upon by the Commission within the two (2)-year period, the Preliminary Plat shall expire unless an extension is granted as provided below in Section 10.03.033(k), *Extension*, and in Section 10.03.026, *Amendments and Expiration of Current Projects*.
- (5) Void If Not Extended. If the Preliminary Plat is not extended as provided above, it shall expire and shall become null and void after a period of two (2) years of the date of approval.

- (k) **Extension.** A Preliminary Plat may be extended for a period not to exceed one (1) year beyond the Preliminary Plat's expiration date. A request for extension shall be submitted to the Development Services Department in writing within sixty (60) calendar days following the expiration of the Preliminary Plat, and shall include reasons why the Preliminary Plat should be extended.

- (1) Decision by the Director of Development Services.
 - i. The Director of Development Services will review the extension request and shall approve it, approve it with conditions, or deny the extension request within thirty (30) calendar days following the official filing date of the request.
 - ii. Should the Director of Development Services fail to act on an extension request within thirty (30) calendar days, the extension shall be deemed to be approved.
- (2) Considerations. In considering an extension, the Director of Development Services shall consider whether the following conditions exist:
 - i. A Final Plat has been submitted and/or approved for any portion of the property shown on the Preliminary Plat;
 - ii. Construction plans have been submitted and/or approved for any portion of the property shown on the Preliminary Plat;
 - iii. Construction is occurring on the subject property;
 - iv. The Preliminary Plat complies with new ordinances that impact the health, safety and general welfare of the community; and/or

- v. If there is a need for a park, school or other public facility or improvement on the property.
- (3) Additional Conditions.
 - i. In granting an extension, the decision-maker may impose such conditions as are needed to ensure that the land will be developed in a timely fashion and that the public interest is served. Any extension may be predicated upon compliance with new development regulations and/or the applicant waiving any vested rights.
 - ii. All applicable City taxes shall be considered current prior to the consideration of any extension of the Preliminary Plat expiration date. Time extensions will not be considered for any property on which taxes are delinquent. Proof of payment shall be entered into the file.
- (4) Appeal of Denial for Extension.
 - i. *Appeal of the Director's Decision.* The denial of an extension by the Director of Development Services may be appealed to the Commission. A written request for such appeal shall be received by Development Services Department within fourteen (14) calendar days following the denial. The Commission shall hear and consider such an appeal at the first scheduled public meeting that meets the published deadlines of the Development Services Department.
 - ii. *Appeal of the Commission's Decision.* The denial of an extension by the Commission may be appealed to the City Council. A written request for such appeal shall be received by the Director of Development Services within fourteen (14) calendar days following the denial. Once the formal appeal is made, staff will schedule the hearing to be heard by the City Council at the first scheduled public meeting that meets the published deadline of the City Secretary. The City Council may affirm, modify or reverse the decision of the Commission by simple majority vote. The decision of the City Council is final.

(I) **Amendments to Preliminary Plat Following Approval.**

- (1) Minor Amendments. Minor amendments to the design of the subdivision subject to an approved Preliminary Plat may be incorporated in an application for approval of the associated Final Plat without the necessity of submitting a new application for reconsideration of a Preliminary Plat. Minor amendments include, but are not limited to, minor adjustments in street or alley alignments, street lengths and paving details, and minor adjustments to lot lines that do not result in creation of additional lots or any non-conforming lots (that do not comply with Zoning standards), provided that such amendments are consistent with the intent of the previously approved application.
- (2) Major Amendments. All other proposed changes to the design of the subdivision subject to an approved Preliminary Plat shall be deemed major amendments that require submittal and approval of a new application for approval of a Preliminary Plat (including new fees, new reviews, new official filing date, etc.) before approval of construction plans and/or a Final Plat.
- (3) Determination. The Director of Development Services shall make a determination of whether proposed amendments are deemed to be minor or major, thereby requiring new submittal of a Preliminary Plat.

Sec. 10.03.034FINAL PLATS.

- (a) **Purpose.** The purpose of a Final Plat is to ensure that the proposed subdivision and development of the land is consistent with all standards of this Subdivision Ordinance pertaining to the adequacy of public facilities, that public improvements to serve the subdivision or development have been installed and accepted by the City or that provision for such installation has been made, that all other requirements and conditions have been satisfied or provided for to allow the Final Plat to be recorded. The Director of Engineering may allow the grading and flatwork on the subject property following the approval of a Final Plat ~~by the Planning & Zoning Commission.~~

- (b) **Exceptions.** A Final Plat is not required when a Minor Plat is sufficient (refer to Section 10.03.035, *Minor Plats*).
- (c) **Ownership.**
- (1) The applicant shall furnish to the City a current title document issued by a title insurance company authorized to do business in Texas, a title opinion letter from an attorney licensed to practice in Texas, or some other acceptable proof of ownership, identifying all persons having an ownership interest in the property subject to the Final Plat.
 - (2) The Final Plat application shall be signed by each owner, or by the representative of the owners authorized to sign legal documents for the owners, effectively denoting that they are consenting to the platting of the property and to the dedications and covenants that may be contained in the Final Plat. Such consent shall be subject to review and approval by the City Attorney, and the applicant shall reimburse the City for all related legal costs for review. This reimbursement shall be paid in full prior to filing of the Final Plat.
- (d) **Complete Applications for Final Plats in the Extraterritorial Jurisdiction (ETJ).** Where the land to be platted lies within the ETJ of the City, pursuant to the existing or amended interlocal agreement with Denton or Collin County under State law, a complete application shall be submitted to the City.
- (e) **Accompanying Applications.** An application for a Final Plat may be accompanied by construction plans if also accompanied by a Development Agreement and appropriate surety in accordance with Section 10.03.044, *Development Agreements*. However, approval of each shall be separate and in accordance with this section for Final Plats and with Section 10.03.041, *Construction Plans*.
- (f) **~~Previously~~ Approved ~~Conveyance Plat or Preliminary Plat or Concept Plan~~.** The Final Plat and all accompanying data shall conform to the associated ~~Conveyance Plat or Preliminary Plat~~ as approved by the Commission, or as the initial plats may have been amended subsequently incorporating all conditions imposed or required by the Commission, or per any previously approved Concept Plan in an associated Development Agreement or Planned Development district.
- (g) **Review by Director of Development Services.** The Director of Development Services shall:
- (1) Initiate review of the plat and materials submitted.
 - (2) Determine that the Final Plat substantially conforms to the associated ~~Conveyance Plat or Preliminary Plat~~ or other comparable Concept Plan.
 - (3) Determine that the Final Plat conforms to the Zoning Ordinance and other applicable regulations.
 - (4) Request written comments from other City departments, such as Engineering, Fire, and Parks & Recreation, as deemed necessary.
 - (5) ~~Make available plats and reports to the Commission for review.~~
 - (6) ~~Upon determination that the application is ready to be acted upon, schedule the Final Plat for consideration on the agenda of the next available meeting of the Commission.~~
- (7)(6) A Final Plat may not be used to nullify any of the conditions, covenants and restrictions (CCRs) of any governing association, such as a HOA.
- (h) **Action by ~~Planning & Zoning Commission~~Staff.** ~~The Commission~~Staff shall:
- (1) Review the Final Plat application, the findings and recommendation of ~~the Director of Development Services~~other departments, and any other information provided. From this information, ~~the Commission~~Staff shall determine whether the Final Plat conforms to the regulations of this Subdivision Ordinance.
 - (2) Act within thirty (30) calendar days following the official acceptance date of Final Plat. If no decision is rendered by the ~~Commission~~City within the thirty (30) day period, the Final Plat, as submitted, shall be deemed to be approved.

(3) Take one of the following actions:

- i. Approve the Final Plat;
- ii. Approve the Final Plat with conditions, which shall mean that the Final Plat shall be considered to have been approved once such conditions are fulfilled; or
- iii. Deny the Final Plat.

(i) **Standards for Approval.** The following criteria shall be used by ~~the Commission~~Staff to determine whether the application for a Final Plat shall be approved, approved with conditions, or denied:

(1) Prior Approved Conveyance or Preliminary Plat or Concept Plan.

- i. The Final Plat conforms to the associated, approved ~~Conveyance Plat or~~ Preliminary Plat except for minor amendments that are authorized under Section 107.04.03(k), *Amendments to Preliminary Plats Following Approval*, and that may be approved without the necessity of revising the approved associated plat;
- ii. All conditions imposed at the time of approval of the ~~Conveyance Plat or~~ Preliminary Plat, as applicable, have been satisfied;
- iii. The construction plans conform to the requirements of Section 10.03.041, *Construction Plans*, and have been approved by the Director of Engineering;
- iv. Where public improvements have been installed, the improvements conform to the approved construction plans and have been approved for acceptance by the Director of Engineering;
- v. Where the Director of Engineering has authorized public improvements to be deferred, a Development Agreement has been executed and submitted by the property owner in conformity with Section 10.03.044, *Development Agreements*;
- vi. The final layout of the subdivision or development meets all standards for adequacy of public facilities contained in this Ordinance;
- vii. The Final Plat meets all applicable County standards to be applied under an interlocal agreement between the City and Denton or Collin County under State law, where the proposed development is located in whole or in part in the ETJ of the City and in the County;
- viii. The plat conforms to design requirements and construction standards as set forth in the *Engineering Design Standards*; and
- ix. The plat includes all information in the Development Services' subdivision application checklists.

(2) Final Plat Approval with No Prior Approved Conveyance Plat or Preliminary Plat. A Final Plat may be approved without prior approval of a ~~Conveyance Plat or a~~ Preliminary Plat when the following conditions are met:

- i. The construction plans conform to the requirements of Section 10.03.041, *Construction Plans*, and have been approved by the Director of Engineering;
- ii. A Development Agreement or surety for installation of public improvements has been prepared and executed by the property owner in conformance with Section 10.03.044, *Development Agreements*;
- iii. The final layout of the subdivision or development meets all standards for adequacy of public facilities contained in this Ordinance;
- iv. The Final Plat meets all applicable County standards to be applied under an interlocal agreement between the City and Denton or Collin County under State law, where the proposed development is located in whole or in part in the ETJ of the City and in the applicable County; and
- v. The Final Plat conforms to the Development Services application checklist.

(j) **Approval of Final Plats.** ~~The Planning & Zoning Commission~~Staff is authorized to approve, approve with

conditions, or disapprove Final Plats. Upon approval, a certificate stating that the Final Plat has been reviewed and approved ~~by the Planning & Zoning Commission~~ shall be provided to the applicant, as required by State law.

- (k) **Procedures for Recordation of Final Plat Documents upon Approval.** The applicant shall supply to Development Services Department the required number of signed and executed copies of the Final Plat documents (whether Mylar or paper originals, as required by both the City and Denton or Collin County) that will be needed to file the Plat, upon approval, with Denton or Collin County. No copies of the exhibits will be accepted.
- (1) General.
- i. *Signatures.* After approval of the Final Plat, the Director of Development Services shall procure the appropriate City signatures on the Final Plat.
 - ii. *County Requirements.* It is the responsibility of the applicant to comply with the platting requirements of Denton or Collin County.
 - iii. *Recording Upon Acceptance of Public Improvements.* The Final Plat shall be recorded after:
 - a. The Final Plat is approved by the City;
 - b. All required public improvements have been completed and accepted by the City (or a Development Agreement has been executed and appropriate surety provided in accordance with Section 10.03.044, *Development Agreements*;
 - c. All Denton or Collin County filing requirements are met.
- (2) Submittal of Final Plat Documents for Filing When Improvements Installed. When all required public improvements have been installed prior to recording of the Final Plat, the applicant shall meet all requirements in accordance with Section 10.03.045, *Inspection, Maintenance and Acceptance of Public Improvements*.
- (3) Submittal of Final Plat Documents for Filing When Improvements Have Not Been Installed. When some of or all required public improvements are not yet completed in connection with an approved Final Plat, the applicant shall submit the Final Plat documents for filing ~~as approved by the Commission~~, revised to reflect any conditions imposed by ~~the Commission~~ Staff as part of approval.
- (4) Update of Proof of Ownership. If there has been any change in ownership since the time of the Proof of Ownership provided under Section 10.03.044(c), *Ownership*, the applicant shall submit a new consent agreement executed by each owner consenting to the platting of the property and the dedications and covenants contained in the plat. The title commitment or title opinion letter and consent agreement shall be subject to review and approval by the City Attorney, and the applicant shall reimburse the City for all related legal costs for review. This reimbursement shall be paid in full prior to filing of the Final Plat.
- (l) **Effect of Approval.** The approval and filing of a Final Plat:
- (1) Supersedes any prior approved ~~Conveyance Plat or~~ Preliminary Plat for the lots final platted.
 - (2) Authorizes the applicant to install any improvements in public rights-of-way in conformance with approved construction plans and under a Development Agreement (refer to Section 10.03.044, *Development Agreements*), if applicable.
 - (3) Authorizes the applicant to seek Construction Release (refer to Section 10.03.041(i), *Construction Release*) and/or issuance of a Building Permit for vertical construction.
- (m) **Appeal of Decision of Final Plat Application.** Appeal of a decision on a Final Plat application shall be brought to the ~~City Council~~ Planning & Zoning Commission, whose ~~Council's~~ decision shall be final.
- (n) **Revisions Following Recording/Recordation.** Revisions may only be processed and approved as a Replat or Amending Plat, as applicable.

Sec. 10.03.035MINOR PLATS.

- (a) **Purpose.** The purpose of a Minor Plat is to simplify divisions of land under certain circumstances as outlined in State law.
- (b) **Applicability.** An application for approval of a Minor Plat may be filed only in accordance with State law, when all of the following circumstances apply:
 - (1) The proposed division results in four (4) or fewer lots;
 - (2) All lots in the proposed subdivision front onto an existing public street and the construction or extension of a street or alley is not required to meet the requirements of this Subdivision Ordinance; and
 - (3) Except for right-of-way widening and easements, the plat does not require the extension of any municipal facilities to serve any lot within the subdivision.
- (c) **Application Requirements.** The requirements for the submittal of a Minor Plat shall be the same as the requirements for a Final Plat, as outlined in Section 10.03.034, *Final Plats*.
- (d) **Review by Director of Development Services.** The Director of Development Services shall:
 - (1) Initiate review of the plat and materials submitted.
 - (2) Request written comments from other City departments, such as Engineering, Public Works, Fire Department, and Parks & Recreation, if deemed necessary.
- (e) **Action by Director of Development Services.** The Director of Development Services shall:
 - (1) Determine whether the Minor Plat meets the regulations of this Subdivision Ordinance.
 - (2) Act within thirty (30) calendar days following the official filing date of a completed application for a Minor Plat. If no decision is rendered by the Director of Development Services, or if the Director has not deferred the application to the Planning & Zoning Commission for decision, within the thirty (30) day period, the Minor Plat, as submitted, shall be deemed to be approved.
 - (3) The Director of Development Services is authorized to make one of the following actions:
 - i. Approve the Minor Plat;
 - ii. Approve the Minor Plat with conditions, which shall mean that the Minor Plat shall be considered to have been approved once such conditions are fulfilled; or
 - iii. Defer the Minor Plat to the Commission for consideration prior to expiration of the required 30-day approval period.
- (f) **Standards for Approval.** The following criteria shall be used by the Director of Development Services to determine whether the application for a Minor Plat shall be approved, approved with conditions, or denied:
 - (1) The Minor Plat is consistent with all zoning requirements for the property (if applicable), any approved Development Agreement (if applicable), and all other requirements of this Subdivision Ordinance that apply to the plat;
 - (2) All lots to be created by the plat already are adequately served by an improved public street access and by all required City utilities and services and by alleys, if applicable;
 - (3) The ownership, maintenance and allowed uses of all designated easements have been stated on the Minor Plat; and
 - (4) Except for right-of-way widening and easements, the plat does not require the extension of any municipal facilities to serve any lot within the subdivision.
- (g) **Approval of Minor Plats.** The Director of Development Services is authorized to approve, approve with conditions, or disapprove Minor Plats. However, the Director of Development Services may defer the

decision of any Minor Plat for any reason to the Planning & Zoning Commission. Upon approval, a certificate stating that the Minor Plat has been reviewed and approved by either the Director of Development Services or the Planning & Zoning Commission shall be provided to the applicant, as required by State law.

- (h) **Procedures for Recordation Following Approval.** The procedures for recordation of a Minor Plat shall be the same as the procedures for recordation of a Final Plat, as outlined in Section 10.03.034(j), *Procedures for Recordation of Final Plat Documents upon Approval*.
- (i) **Appeal of Decision on Minor Plat Application.**
 - (1) **Commission Decision.** If the Director of Development Services defers the Minor Plat application to the Planning & Zoning Commission, the Commission shall consider the application at a regular meeting no later than thirty (30) calendar days after the date on which the Director of Development Services deferred the application to the Commission. The Commission shall, upon simple majority vote, take one of the following actions:
 - i. Approve the Minor Plat;
 - ii. Approve the Minor Plat with conditions, which shall mean that the Minor Plat shall be considered to have been approved once such conditions are fulfilled; or
 - iii. Deny the Minor Plat.
 - (2) **Appeal.** The decision of the Commission may be appealed to the City Council in accordance with the procedures for an appeal on a Final Plat decision. Once the formal appeal is made, staff will schedule the hearing to be heard by the City Council at the first scheduled public meeting that meets the published deadline of the City Secretary. The City Council may affirm, modify or reverse the decision of the Commission by simple majority vote. The decision of the City Council is final.
- (j) **Revisions Following Approval.** Revisions submitted by the applicant following initial approval may only be processed and approved as a Replat or Amending Plat, as applicable.

Sec. 10.03.036REPLATS.

- (a) **Applicability and Terminology.**
 - (1) The procedures outlined in this section and in subsequent Sections 10.03.037, *Residential Replats*, and 10.03.038, *Amending Plats*, shall apply only if a property owner seeks to change any portion of a plat that has been filed for record with Denton or Collin County.
 - (2) The term "Replat" includes changes to a recorded Final Plat, whether the change is effected by replatting without vacation or replatting by vacating the recorded plat (Section 10.03.039, *Plat Vacation*) and approving a new application.
- (b) **City Action Required.** Unless otherwise specified, any change to a recorded plat shall be subject to approval by the Planning & Zoning Commission.
- (c) **Construction Management.** If the subdivision, as replatted, requires construction of additional public improvements, the provisions of the Development Agreement between the City and the developer shall apply (see Section 10.03.044, *Development Agreements*). If the subdivision as replatted does not require any appreciable alteration or improvement of utility installations, streets, alleys, building setback lines, etc., then no additional construction plans shall be required.
- (d) **Application and Approval Procedures.** Unless otherwise specified, application and all related procedures and approvals, including recordation, for a Replat shall be the same as specified for a Final Plat.
- (e) **Partial Replat Application.** If a Replat is submitted for only a portion of a previously platted subdivision, the Replat must reference the previous subdivision name and recording information, and must state on

the Replat the specific lots that are being changed along with a detailed "Purpose for Replat" statement.

- (f) **Replats Requiring a Variance or Exception.** Repplats requiring a Variance or Exception must be considered as a public hearing item. In these cases, notification in the official newspaper of the City a minimum of fifteen (15) days prior to the public hearing is required. In addition, written notices of the proposed residential replat requiring a Variance or Exception shall be mailed to all property owners located within 200 feet of the subject property a minimum of fifteen (15) days prior to the public hearing. Notice of the public hearing shall also be posted with the agenda at the City Hall and on the City's website within the prescribed time limits, as required by State law.
- (g) **Special Requirements for Residential Repplats.** State law offers an option for notification for residential replats. Cities may opt to notify residents in one of the following manners:
 - (1) Written notices of the proposed residential replat shall be mailed to all property owners located within 200 feet of the subject property a minimum of fifteen (15) days prior to the public hearing. In addition, a notice shall be published in the official newspaper of the City a minimum of fifteen (15) days prior to the public hearing; OR
 - (2) As a courtesy to the neighboring property owners, written notices of the approved residential replat shall be mailed to all property owners located within 200 feet of the subject property a minimum of fifteen (15) days following the decision by the Planning & Zoning Commission. In this case, no public hearing is required and the plat may be considered on the Consent Agenda.
- (h) **Special Requirements for Non-Residential Repplats.** Non-residential replats do not require noticing by newspaper or to adjacent property owners. However, a public hearing shall be held on any non-residential replat that requires a Variance or Exception.
- (i) **Approval of Repplats.** The Planning & Zoning Commission is authorized to approve, approve with conditions, or disapprove Repplats. Upon approval, a certificate stating that the Replat has been reviewed and approved by the Planning & Zoning Commission shall be provided to the applicant, as required by State law.
- (j) **Effect of Approval.** Upon approval and recording of the Replat, it is controlling over the previously recorded plat for the portion replatted.

Sec. 10.03.037AMENDING PLATS.

- (a) **Purpose.** The purpose of an Amending Plat shall be to provide an expeditious means of making minor revisions to a recorded plat consistent within the provisions of State law.
- (b) **Applicability.** The procedures for an Amending Plat shall apply only if the sole purpose of the Amending Plat is to achieve one or more of the following:
 - (1) To correct an error in a course or distance shown on the preceding plat;
 - (2) To add a course or distance that was omitted on the preceding plat;
 - (3) To correct an error in a real property description shown on the preceding plat;
 - (4) To indicate monuments set after the death, disability or retirement from practice of the engineer or surveyor responsible for setting monuments;
 - (5) To show the location or character of a monument that has been changed in location or character or that is shown incorrectly as to location or character on the preceding plat;
 - (6) To correct any other type of scrivener or clerical error or omission previously approved by the municipal authority responsible for approving plats, including lot numbers, acreage, street names, and identification of adjacent recorded plats;
 - (7) To correct an error in courses and distances of lot lines between two (2) adjacent lots if:

- i. Both lot owners join in the application for amending the plat;
 - ii. Neither lot is abolished;
 - iii. The amendment does not attempt to remove recorded covenants or restrictions; and
 - iv. The amendment does not have a material adverse effect on the property rights of any of the owners in the plat;
- (8) To relocate a lot line to eliminate an inadvertent encroachment of a building or other improvement on a lot line or easement;
- (9) To relocate one (1) or more lot lines between one (1) or more adjacent lots if:
 - i. The owners of all those lots join in the application for amending the plat;
 - ii. The amendment does not attempt to remove recorded covenants or restrictions; and
 - iii. The amendment does not increase the number of lots;
- (10) To make necessary changes to the preceding plat to create six (6) or fewer lots in the subdivision or a part of the subdivision covered by the preceding plat if:
 - i. The changes do not affect applicable zoning and other regulations of the municipality;
 - ii. The changes do not attempt to amend or remove any covenants or restrictions; and
 - iii. The area covered by the changes is located in an area that the Commission or other appropriate governing body of the municipality has approved, after a public hearing, as a residential improvement area; or
- (11) To replat one (1) or more lots fronting on an existing street if:
 - i. The owners of all those lots join in the application for amending the plat;
 - ii. The amendment does not attempt to remove recorded covenants or restrictions;
 - iii. The amendment does not increase the number of lots; and
 - iv. The amendment does not create or require the creation of a new street or make necessary the extension of municipal facilities.
- (c) **Certificates of Correction.** Certificates of Correction are prohibited.
- (d) **Notice.** In accordance with State law, the approval and issuance of an Amending Plat shall not require notice, hearing or approval of adjacent lot owners.
- (e) **Review by Director of Development Services.** The Director of Development Services shall:
 - (1) Initiate review of the plat and materials submitted.
 - (2) Request written comments from other City departments, such as Engineering, Public Works, Fire Department, and Parks & Recreation, if deemed necessary.
- (f) **Action by Director of Development Services.** The Director of Development Services shall:
 - (1) Determine whether the Amending Plat meets the regulations of this Subdivision Ordinance.
 - (2)
 - (3) The Director of Development Services is authorized to take one of the following actions:
 - i. Approve the Amending Plat;
 - ii. Approve the Amending Plat with conditions, which shall mean that the Amending Plat shall be considered to have been approved once such conditions are fulfilled; or
 - iii. Defer the Amending Plat to the Commission for consideration prior to expiration of the required 30-day approval period.
- (g) **Approval of Amending Plats.** The Director of Development Services is authorized to approve, approve with conditions, or disapprove Amending Plats. However, the Director of Development Services may defer the decision of any Amending Plat for any reason to the Planning & Zoning Commission.
- (h) **Procedures for Recordation Following Approval.** The procedures for recordation of an Amending Plat shall be the same as the procedures for recordation of a Final Plat.

- (i) **Effect of Approval.** Upon approval, an Amending Plat shall be recorded and is controlling over the previously recorded plat without vacation of that plat. Upon approval, a certificate stating that the Amending Plat has been reviewed and approved by either the Director of Development Services or the Planning & Zoning Commission shall be provided to the applicant, as required by State law.
- (j) **Appeal of Decision on Amending Plat Application.**
 - (1) Commission Decision. If the Director of Development Services defers the Amending Plat application to the Planning & Zoning Commission, the Commission shall consider the application at a regular meeting no later than thirty (30) calendar days after the date on which the Director of Development Services deferred the application to the Commission. The Commission shall, upon simple majority vote, take one of the following actions:
 - i. Approve the Amending Plat;
 - ii. Approve the Amending Plat with conditions, which shall mean that the Amending Plat shall be considered to have been approved once such conditions are fulfilled; or
 - iii. Deny the Amending Plat.
 - (2) Appeal. The decision of the Commission may be appealed to the City Council in accordance with the procedures for an appeal on a Final Plat decision. The City Council decision is final.

Sec. 10.03.038PLAT VACATION.

- (a) **Purpose.** The purpose of a Plat Vacation is to provide an expeditious means of nullifying a recorded plat in its entirety, consistent with provisions of State law.
- (b) **Initiation of a Plat Vacation.**
 - (1) By Property Owner. The property owner of the tract covered by a plat may submit an application to vacate the plat at any time before any lot in the plat is sold.
 - (2) By All Lot Owners. If lots in the plat have been sold, an application to vacate the plat must be submitted by all the owners of lots in the plat.
 - (3) City Initiation. If the Planning & Zoning Commission, on its own motion, determines that the plat should be vacated in the interest of and to protect the public's health, safety and welfare; and:
 - i. No lots within the approved plat have been sold within five (5) years following the date that the Final Plat was approved by the City; or
 - ii. The property owner has breached a Development Agreement, and the City does not appropriate funds with which to complete construction of public improvements, except that the vacation shall apply only to lots owned by the property owner or its successor; or
 - iii. The plat has been recorded in Denton or Collin County for more than five (5) years, and the Planning & Zoning Commission determines that the further sale of lots within the subdivision or addition presents a threat to public health, safety and welfare, except that the vacation shall apply only to lots owned by the property owner or its successors.
- (c) **Notice.** Published notice of the public hearing on the Plat Vacation application shall be given in accordance with State law. The hearing shall be conducted by the Planning & Zoning Commission.
- (d) **Review by Director of Development Services.** The Director of Development Services shall:
 - (1) Initiate review of the Plat Vacation application and materials submitted.
 - (2) Request written comments from other City departments, such as Engineering, Public Works, Fire Department, and Parks & Recreation, if deemed necessary.
- (e) **Action by the Planning & Zoning Commission.** The Planning & Zoning Commission shall:
 - (1) Review the Plat Vacation application, the findings and recommendation of the Director of Development Services, and any other information provided. From all such information, the Planning

& Zoning Commission shall conduct a public hearing and make a finding as to whether or not the plat should be vacated. The Planning & Zoning Commission decision on a Plat Vacation shall be final.

(2) Take one of the following actions:

- i. Approve the Plat Vacation;
- ii. Approve the Plat Vacation with conditions, which shall mean that the Plat Vacation shall be considered to have been approved once such conditions are fulfilled; or
- iii. Deny the Plat Vacation.

(f) **Approval of Plat Vacations.** The Planning & Zoning Commission is authorized to approve, approve with conditions, or disapprove Plat Vacations. Upon approval, a certificate stating that the plat vacation has been reviewed and approved by the Planning & Zoning Commission shall be provided to the applicant, as required by State law.

(g) **Procedures for Recordation Following Approval.** If the Planning & Zoning Commission adopts a resolution vacating a plat in whole, it shall record a copy of the resolution in the Denton or Collin County Clerk's Office. If the Planning & Zoning Commission adopts a resolution vacating a plat in part, it shall cause a revised Final Plat to be recorded along with the resolution which shows that portion of the original plat that has been vacated and that portion that has not been vacated.

(h) **Effect of Approval.**

- (1) On the execution and recording of the vacating instrument, the previously filed plat shall have no effect. Regardless of the Planning & Zoning Commission's action on the petition, the property owner(s) or developer will have no right to a refund of any monies, fees or charges paid to the City nor to the return of any property or consideration dedicated or delivered to the City except as may have previously been agreed to by the Planning & Zoning Commission.
- (2) The plat is vacated when a signed, acknowledged instrument declaring the plat vacated is approved and recorded in the manner prescribed for the original plat.
- (3) The Planning & Zoning Commission, at its discretion, shall have the right to retain all or specific portions of road rights-of-way or easements shown on the plat being considered for vacation. However, the Planning & Zoning Commission shall consider plat vacation upon satisfactory conveyance of easements and/or rights-of-way in a separate legal document using forms provided by the City Attorney's office.
- (4) Once a plat is duly vacated, according to the regulations above, the property lines of the adjacent properties shall extend to the centerline of the plat, unless specific arrangements between or among the adjacent property owners has been agreed upon.

Sec. 10.03.039RIGHT-OF-WAY VACATION.

- (a) **Purpose.** From time to time, as the City's vehicular circulation needs and traffic patterns change, rights-of-way previously dedicated to, or acquired by, the City for public travel may no longer be necessary. Therefore, in accordance with the Texas Transportation Code § 311.007, the City may choose to vacate, abandon, or close a street or alley on its own accord or upon receipt of a petition of property owners adjacent to, abutting or directly served by the right-of-way sought to be closed and/or abandoned.
- (b) **Notice.** Prior to the vacation of a public street or alley right-of-way, a public hearing shall be held by the City Council. Written notices of the proposed right-of-way vacation shall be mailed to all property owners immediately adjacent to ~~located within 200 feet of~~ the subject property a minimum of ten (10) days prior to the public hearing. In addition, a notice shall be published in the official newspaper of the City a minimum of fifteen (15) days prior to the public hearing.

- (c) **Review by Director of Development Services.** The Director of Development Services shall:
 - (1) Initiate review of the right-of-way vacation application and materials submitted.
 - (2) Request written comments from other City departments, such as Engineering, Public Works, Fire Department, and Parks & Recreation, if deemed necessary.
 - (3) The Director shall consider issues of utility placement, traffic access, and the number of property owners in favor or against the request.
- (d) **Retention of Easements.** The applicant for a right-of-way vacation or alley abandonment shall verify with the appropriate entity that the right-of-way to be vacated is free of all public and private utilities including, but not limited to water, sanitary sewer, storm sewer, electricity, gas, and franchise utilities. If public or private utilities are present within the right-of-way, a utility easement of an appropriate size and location, as determined by the Director of Engineering, will be retained. A drainage easement may also be retained, as determined by the Director of Engineering.
- (e) **Action by the City Council.** If the City Council chooses to vacate or abandon a right-of-way, an ordinance shall be adopted and said ordinance shall be filed for record with the county clerk. A metes & bounds description or a visual depiction or exhibit showing the location and limits of the vacated right-of-way shall be attached to the ordinance.
- (f) **Effect of Approval.**
 - (1) The City Council, at its discretion, shall have the right to retain all or specific portions of right-of-way or easements being considered for vacation or abandonment.
 - (2) Once a right-of-way is duly vacated, according to the regulations above, the property lines of the adjacent properties shall extend to the centerline of the right-of-way.
 - (3) Zoning of the adjacent property shall also automatically extend to the centerline of the right-of-way.

ARTICLE 10.03.040CONSTRUCTION PLANS & PROCEDURES

Sec. 10.03.041CONSTRUCTION PLANS.

- (a) **Purpose.** This construction plan section which includes design criteria and standards for the City of Celina is intended primarily for use by the developer's engineer. These criteria and standards should enable the engineer to design the required community facilities in a manner acceptable to the City. There may be special circumstances which would call for requirements in excess of those outlined. In most cases, additional requirements will be apparent to the developer's engineer while preparing the plans for the subdivision or during conferences/discussions with the City staff.
- (b) **Submitting Plans.** Plans shall be submitted in accordance with the policies of the Engineering Department. A checklist of necessary items and exhibits to be included in the construction plans is available online on the Development Services webpage. Incomplete plans will not be accepted and such plans shall be returned to the applicant.
- (c) **Responsible Official and Decision.** The Director of Engineering shall be the responsible official for review and approval of construction plans. The Director of Engineering shall also be the initial decision-maker for construction plans. In this capacity, therefore, the Director of Engineering shall approve, approve subject to modifications, or deny the construction plans.
- (d) **Approval Required & Timing of Construction.** Construction plans must be approved in accordance with this section prior to the approval and/or recordation of the Final Plat, unless otherwise stated within the Subdivision Ordinance or a Development Agreement.
- (e) **Criteria for Approval.** The Director of Engineering shall approve construction plans if:
 - (1) Compliance Required. Prior to the Commission's approval of the Final Plat, the subdivider shall comply or provide for compliance with the policies and procedures set forth in these regulations and the *Engineering Design Standards* for construction of street improvements and utilities. No building, sewer, electrical or plumbing permit shall be issued by the City as to any property in the subdivision until:
 - i. The plans are consistent with the approved Preliminary Plat or the proposed Final Plat;
 - ii. The plans conform to the subject property's zoning and planned development standards, if applicable, and to the standards for adequate public facilities, contained in this Subdivision Ordinance, and all other applicable Code of Ordinances.
 - iii. The working drawings, specifications and agreements required herein have been reviewed and approved by the affected City departments and, as required, by the City Attorney.
 - (2) Engineering Design Standards. The *Engineering Design Standards* are hereby adopted by reference and made a part of these regulations, design criteria, and standards which shall be controlling in design, construction and installation of street paving, curbs and gutters, sidewalks, utilities and other public improvements required herein. All references to *Engineering Design Standards* shall mean and include those standards and specifications, together with all exhibits, charts, drawings and diagrams appertaining thereto, which have been approved by the Director of Engineering, adopted by the City Council, and placed on file in the office of the City Secretary and displayed on the Engineering webpage.
 - (3) Conformance to NCTCOG Standards. When the *Engineering Design Standards* lack the specificity required in certain circumstances, the specifications of the latest edition of the Standard Specifications for Public Works Construction, published by the North Central Texas Council of Governments shall apply.

- (4) **Installation and Financing.** The subdivider shall arrange with the City and with utility companies franchised to serve the area in which the subdivision is located for the construction costs of streets and alleys, utility lines and other public improvements. The subdivider shall also arrange for the sequence of work so that underground utilities shall be installed in those portions of streets intended for vehicular traffic before such streets shall be surfaced. If the several improvements required herein have not been installed or constructed prior to submission of the Final Plat, then the Final Plat shall bear a restriction that no lot shall be occupied and that no municipal services shall be extended thereto until the specified utilities and improvements have been constructed as required.
- (f) **Effect.** Approval of construction plans authorizes the applicant to schedule a Pre-Construction Meeting in accordance with Section 10.03.042, *Pre-Construction Meeting*, and apply for Construction Release in accordance with Section 10.03.041(i), *Construction Release*.
- (g) **Expiration.** The approval of construction plans shall remain in effect for a period of one (1) year from the date of approval, or for the duration of construction of the project, provided that progress toward completion of the project continues to be demonstrated, unless the plans are extended in accordance with Section 10.03.041(h), *Extension of Expiration Date*.
- (h) **Extension of Expiration Date.** Construction plans may be extended for a period of six (6) additional months beyond the expiration date. A request must be made in writing to the Director of Engineering for such extension prior to expiration of the plans, and shall include reasons why the plans should be extended.
- (1) **Decision by the Director of Engineering.**
- i. The Director of Engineering will review the extension request, and shall approve, approve with conditions, or deny the extension request within thirty (30) calendar days following the date the request for extension is received.
 - ii. Should the Director of Engineering fail to act on an extension request within thirty (30) calendar days, the extension shall be deemed to be approved.
- (2) **Consideration.** The Director of Engineering shall extend construction plans approval for a period of six (6) additional months beyond the plans' expiration date if all of the following conditions are met:
- i. The Final Plat has been submitted, approved or filed of record for any portion of the property shown on the construction plans;
 - ii. The construction plans comply with new ordinances that impact the health, safety and general welfare of the community;
 - iii. Demonstrable forward progress has been made to proceed with construction or required improvements; and
 - iv. A Development Agreement (Section 10.03.044, *Development Agreements*), if applicable, is still valid and in full effect.
- (3) **Conditions.** In granting an extension, the Director of Engineering may impose such conditions as are needed to ensure that the land will be developed in a timely manner and that the public interest is served. Any extension may be predicated upon compliance with new development regulations and/or the applicant waiving any vested rights.
- (4) **Additional Extension.** A second, six (6) month extension may be requested using the same process outlined above.
- (i) **Construction Release.** Upon approval of the Preliminary Plat and the construction plans, receipt of all documentation (e.g., insurance information, bonds, etc.), receipt of required fees, and park land dedication, if applicable, and after the Pre-Construction Meeting with City staff, the Director of

Engineering may release the plans for construction if all City requirements pertaining to construction have been met. The Construction Release shall remain in effect for a period of one (1) year from the date of issuance, or for the duration of construction of the project, provided that progress toward completion of the project continues to be demonstrated. Expiration, and possible extension, of the Construction Release shall be the same as for the construction plans.

Sec. 10.03.042PRE-CONSTRUCTION MEETING.

- (a) **Purpose.** The purpose of the Pre-Construction Meeting is to discuss administrative, communication, and operating procedures for the project prior to the onset of construction. A list of typical inspection items, procedures and acceptance criteria for items in public right-of-way and easements will also be furnished to the applicant prior to the meeting.
- (b) **Notice.** The applicant shall receive written notice from the Director of Engineering that construction plans have been approved and that the project is eligible for a Pre-Construction Meeting.
- (c) **Required Attendance.** The applicant, along with key construction managers, must attend a Pre-Construction Meeting with the Director of Engineering or his designee and other appropriate City officials following the approval of construction plans, the approval of the Final Plat, and prior to commencement of any construction on the property.
- (d) **Effect.** Following the Pre-Construction Meeting and upon approval of the construction plans and full compliance with all pre-construction requirements, the Director of Engineering shall authorize Construction Release, allowing the applicant to commence with construction of the project. The applicant may also be issued a Building Permit, if appropriate, provided that a Building Permit application has been submitted and approved and all other Building Permit requirements have also been met.
- (e) **Fees Due.** Fees for the Development application and any associated permits are due prior to the Pre-Construction Meeting. These include, but are not limited to, Roadway and Utility Impact Fees and Park Land Dedication Fees-in-lieu of Land.

Sec. 10.03.043TIMING OF PUBLIC IMPROVEMENTS.

- (a) **Completion Prior to Final Plat Recordation.** Completion of all required public improvements, in accordance with the approved Final Plat and the approved construction plans, shall occur prior to Final Plat recordation with Denton or Collin County. Final Plat exhibits will not be accepted for filing with the County prior to completion of such improvements except as provided below.
- (b) **Completion after Final Plat Recordation.** The Director of Engineering, upon written request by the applicant, may allow construction of public improvements after Final Plat recordation. Such postponement shall be conditioned on execution of a Development Agreement and provision of security. It shall be at the Director of Engineering's discretion to determine whether postponing construction of public improvements until after Final Plat recordation is appropriate, and therefore, whether financial guarantee is acceptable through a Development Agreement.
- (c) **Deferral of Obligation.** The Director of Engineering may defer the developer's obligation to dedicate rights-of-way or easements for, or to construct, public improvements to serve a new development upon execution of a Development Agreement and upon provision of adequate security.
- (d) **Phased Development.** If the development is being platted and constructed in phases, improvements shall be completed as platted areas are approved and phases are constructed. Also refer to Section 10.03.033(k), *Expiration*, for details regarding phased development and Preliminary Plat validity.
- (e) **Easements for Utility Providers.** The applicant is responsible for contacting all utility providers prior to

beginning construction, and for securing all necessary easements for same prior to Final Plat approval and recordation. The applicant's engineer shall provide the Director of Engineering with written certification that all necessary easements are secured for the various utility providers, and such easements shall be shown on the Final Plat with the recording information for each (if previously platted) or established through the recordation of the Final Plat.

- (f) **Off-Site Easements.** All necessary off-site easements required for installation of required off-site public improvements to serve the development shall be acquired by the applicant prior to the Pre-Construction Meeting, or prior to approval and recordation of the Final Plat, whichever occurs first. Off-site easements shall be conveyed and recorded in Denton or Collin County by filing the off-site easement in a Conveyance Plat prior to filing the Final Plat. At the discretion of the Director of Engineering, a Separate Instrument may be used for the purposes of recording off-site easements. If the property on which the off-site easement is required has been platted prior to the granting of the easement, a replat is required to dedicate the easement.
- (g) **Oversized Facilities.** When the City sees fit to request that the developer upsize any required infrastructure for the use of future development within the City, the difference in cost of the required infrastructure for the development and the cost of upsizing shall be borne by the City. (See Section 10.03.044(b)(2), *Oversizing of Infrastructure*, below).

Sec. 10.03.044.....DEVELOPMENT AGREEMENTS.

- (a) **Purpose.** A subdivider shall be required to enter into a Development Agreement with the City, which shall govern the subdivision if there are pro rata payments or other financial agreements, subject to the TEXAS LOCAL GOVERNMENT CODE, SUBCHAPTER C, *DEVELOPER PARTICIPATION IN CONTRACT FOR PUBLIC IMPROVEMENTS*. City participation in cost, escrow deposits, or other future considerations, will be not issued prior to filing the Development Agreement in the Denton or Collin County records.
- (b) **Applicability.**
 - (1) **Improvements Delayed.** When any of the required public improvements will be postponed and constructed after Final Plat recordation, the Final Plat shall not be accepted for filing for recordation with Denton or Collin County unless and until the applicant enters into a Development Agreement to ensure the completion of all required public improvements.
 - (2) **Oversizing of Infrastructure.** The City requires a Development Agreement pertaining to any public improvement for which the developer may request reimbursement from the City for oversize costs as for water and sewer improvements or all other required improvements not necessitated by the project itself. The City Council may authorize the approval of such agreement as meeting the City's future requirements, and the City will not withhold approval as a means of avoiding compensation due under the terms of this code.
- (c) **Authority of the City to Complete Work.** This agreement shall be based upon the requirements of this chapter, and shall provide the City with specific authority to complete the improvements required in the agreement in the event of default by the subdivider, and to recover the full legal costs of such measures. The City may subordinate its Development Agreement to the prime lender if provided for in said agreement.
- (d) **Joint Obligations.** The Development Agreement shall be a legally binding agreement between the City and the subdivider specifying the individual and joint responsibilities of both the City and the subdivider. Unusual circumstances relating to the subdivision shall be considered in the Development Agreement such that the purpose of this chapter is best served for each particular subdivision. The subdivider shall

include in such an agreement a hold harmless and indemnity clause agreeing to hold the City harmless against any claim arising out of the subdivision of the property or any actions taken therein.

(e) **Security for Completion of Improvements.**

- (1) Type of Security. When any of the required public improvements will be constructed after approval and recordation of the Final Plat, the applicant shall guarantee proper construction of such postponed improvements, in accordance with the City's design standards and with this Subdivision Ordinance, by a bond executed by a surety company holding a license to do business in the State of Texas, and acceptable to the City, on the form provided by the City. The performance bond shall be approved as to form by the City Attorney.
- (2) Estimated Cost and Security Approval.
 - i. Security shall be issued in the amount of 110% of the cost to construct, complete, and maintain all required public improvements to the City's standards as estimated by the applicant's professional engineer, and as approved by the Director of Engineering.
 - ii. Security shall be subject to the review and approval of the City Attorney. The applicant shall reimburse the City for all related legal costs for the City's legal review prior to filing the Final Plat.
 - iii. Upon the dedication of and acceptance by the City of all required public improvements, the City shall authorize a reduction in the cash security to ten percent (10%) of the original amount if the property owner is not in breach of the Development Agreement. The remaining cash security shall ensure that the owner will warrant that the required public improvements are free from defect for a period of two (2) years following acceptance by the City.
- (3) Letter of Credit. In certain circumstances and at the discretion of the Director of Engineering, an applicant may submit a letter of credit in lieu of cash security. In this case, the letter of credit shall:
 - i. Be irrevocable.
 - ii. Be in a form approved by the City Attorney.
 - iii. Be for a term sufficient to cover the completion, maintenance and warranty periods of the improvements covered by the letter of credit, but in no event less than two (2) years.
 - iv. As portions of the public improvements are completed in accordance with the *Engineering Design Standards* and the approved engineering plans, the applicant may request that the Director of Engineering reduce the amount of the original letter of credit. If the Director of Engineering is satisfied that such portion of the improvements has been completed in accordance with City standards, the Director of Engineering may (but is not required to) cause the amount of the letter of credit to be reduced by such amount that the Director of Engineering deems appropriate, so that the remaining amount of the letter of credit adequately ensures the completion of the remaining public improvements.
- (4) Security for Construction in Extraterritorial Jurisdiction (ETJ). Where all or some portion of the proposed development is located in the City's ETJ, the security shall be in a form and shall contain such terms as are consistent with the City's interlocal agreements with Denton or Collin County under TEXAS LOCAL GOVERNMENT CODE, CHAPTER 242. In cases where the requirements governing the form and terms of the security are defined in such an agreement, they will supersede any conflicting provisions within this Subdivision Ordinance.

(f) **Escrow Policies and Procedures.**

- (1) Request for Escrow. The City may require or the developer may petition the City to defer required improvements in exchange for a deposit of escrow. An example may include a timing issue due to pending street improvements by another agency such as TxDOT. The Director of Engineering may require studies and other information to support the developer's request to escrow.

- (2) Escrow Deposit with the City. When the Director of Engineering requires or agrees to accept escrow deposits, the developer shall deposit in escrow with the City an amount equal to 110% of the total costs including, but not limited to, the design, construction, any required studies performed by a third party, permitting, acceptance and inflation costs related to the improvements. The Director of Engineering shall review and approve the amount, which shall be approved and paid to the City prior to recordation of the Final Plat.
- (3) City Usage of Escrowed Funds. The City may also use the escrowed funds in participation with another entity (such as TxDOT, Denton or Collin County, etc.) to jointly construct the public improvements.
- (4) Termination of Escrow. Escrows, or portions of escrowed amounts, which remain unused after a period of ten (10) years following the date of such payment shall, upon written request, be refunded to the developer. Such refund of escrowed funds does not remove any obligations of the developer for construction of the required improvements.
- (5) Refund. If all or a portion of a street or other type of public improvement for which escrow is deposited is constructed by a party other than the City, the remaining unused escrowed funds, upon written request, shall be refunded to the developer after completion and City acceptance of the street or public improvement.
- (6) Interest on Escrowed Funds. When escrowed funds are returned or refunded to the escrowing developer, the City shall retain all of the interest accrued by the funds, if any.
- (7) Escrow Fee Agreement. The Director of Engineering, at his discretion, may require an escrow fee agreement be executed.
- (g) **Authority of City Council**. The City Council has the sole authority to approve Development Agreements.
- (h) **Agreement to Run with the Land**. The Development Agreement shall provide that the covenants and other terms of agreement contained therein shall run with the land and shall bind all successors, heirs and assignees of the current applicant. All existing owners shall be required to execute the agreement or provide written consent to the covenants and other terms contained in the agreement.
- (i) **Termination of Agreement**. The subdivider shall have a continuing responsibility under the Development Agreement after the filing of any Final Plat with Denton or Collin County until all facilities and improvements required under the Development Agreement have been completed, inspected and accepted by the City. When the construction of required improvements has proceeded to the point that certain parts of the subdivision are adequately served, the Director of Engineering may release specified portions of the subdivision for use prior to the completion of all improvements, unless the release of such improvements will jeopardize or hinder the continued construction of required improvements. Any Development Agreement shall remain in force for all portions of the subdivision for which a release has not been executed.
- (j) **Development Agreement Fee**. The City shall impose a fee for processing Development Agreements. The amount of the fee shall be as specified in the City's Fee Schedule that may be amended from time to time by ordinance. The direct cost of the City Attorney review of the Development Agreement shall be passed through to the applicant.

Sec. 10.03.045CITY PARTICIPATION

- (a) The City may participate with the developer on major items of construction, such as lift stations, bridges or streets adjacent to the subdivision which benefit existing or future development in addition to that being subdivided. The amount of financial responsibility of each party and the terms of discharging such responsibility may be provided for in a facilities agreement.

- (b) The construction of certain facilities required by the provisions of this article may not be possible or practical at the time the developer prepares his plans for public improvements. Such deletion or delay of improvements may be specified in the facilities agreement, together with provisions for escrow deposits or future payment by the City and/or developer. (2004 Code, sec. 159.23)

Sec. 10.03.046.....INSPECTION, MAINTENANCE & ACCEPTANCE OF PUBLIC IMPROVEMENTS.

(a) Inspections.

- (1) The Director of Engineering shall inspect the construction of improvements while in progress, as well as upon completion. The applicant, or his contractor, shall maintain contact with the Director of Engineering during all phases of construction.
- (2) Construction shall be in accordance with the approved construction plans. Any significant change in design required during construction shall be made by the applicant's engineer, and shall be subject to approval by the Director of Engineering.
- (3) Any changes in design required during construction should be made by the engineer whose signature and seal are shown on the plans. Another engineer may make revisions to the original engineering plans if so authorized by the owner of the plans and if those revisions are noted on the plans or documents. All revisions must be approved by the Director of Engineering.
- (4) If the Director of Engineering finds, upon inspection, that any of the required public improvements have not been constructed properly and in accordance with the approved construction plans, the applicant shall be responsible for completing and/or correcting the public improvements to bring such into compliance.

- (b) **Maintenance during Construction.** The applicant shall maintain all required public improvements during construction of the development phases or until the City approves the improvements and accepts same.

(c) As-built Plans and Submission of Record Drawings for Filing.

- (1) After construction is completed, the developer shall provide the commission a set of as-built plans of all streets, alleys, sidewalks, drainage, underground utilities, signs, signals, street lighting and any other pertinent physical improvement of the subdivision. (2004 Code, sec. 159.67)
- (2) The City shall accept required public improvements when the applicant's engineer has certified to the Director of Engineering, through submission of detailed "record" or "as built" drawings of the project and filed copies of any off-site easements, unless otherwise noted within the Subdivision Ordinance, that the public improvements have been built in accordance with the approved construction plans. Unless otherwise provided in a Development Agreement, the City will not submit the approved Final Plat for recordation in Denton or Collin County until all required improvements have been accepted by the Director of Engineering.

- (d) **Revisions Documented on Plat.** Each record drawing sheet shall document all changes made in the plans during construction, and on each sheet, there shall be a "record" stamp bearing the signature of the engineer and date. Detailed requirements for such drawings and stamps are available on the Celina Engineering website.

(e) Acceptance or Rejection of Improvements by Director of Engineering.

- (1) Responsible Official. Using the *Final Acceptance Checklist* (online on the Development Services webpage), the Director of Engineering shall be responsible for inspecting all required public improvements shown in the construction plans, and for accepting completed subdivision improvements intended for dedication to the City.
- (2) Final Inspection. After completion of all improvements, franchise utilities, grading, and erosion

control, the Director of Engineering and other designated representatives (as applicable) will perform a final inspection before recommending acceptance of the improvements.

- (3) Letter of Final Acceptance. If all improvements are completed, inspected, tested (when applicable), and determined by the City to be in conformance with this Subdivision Ordinance and with the City's *Engineering Design Standards*, then the Director of Engineering shall issue a Letter of Final Acceptance to the applicant, thereby notifying the applicant of the City's acceptance.
 - (4) Effect of Acceptance. Acceptance of the improvements shall mean that the applicant has transferred all rights to all the public improvements to the City for title, use, and maintenance.
 - (5) Rejection. If any portion of the construction plans fails to comply with the City's standards and specifications, the Director of Engineering shall reject the complete set until the failure is remedied.
- (f) **Disclaimer**. Approval of a Preliminary Plat or Final Plat by the Commission, or construction plans by the Director of Engineering, shall not constitute acceptance of any of the public improvements required to serve the subdivision or development. No public improvements shall be accepted for dedication by the City except in accordance with this section.
- (g) **Acceptance or Rejection of Improvements in Extraterritorial Jurisdiction (ETJ)**. Where the improvements to be constructed under a Development Agreement are located within the City's ETJ and are to be dedicated to Denton or Collin County, the Director of Engineering shall inform the County officials that the public improvements have been constructed in accordance with approved construction plans, and are ready for acceptance by the County.
- (h) **Maintenance Bond Following Acceptance**. The applicant shall furnish to the Director of Engineering a sufficient maintenance bond with a reputable and solvent corporate surety registered with the State of Texas, in favor of the City, to indemnify the City against any repairs. The bond shall be in effect for two (2) years from the date of final acceptance of the entire project. The bond, which is a part of the requirements for final acceptance, shall be a minimum of ~~ten-one hundred~~ percent (100%) of the value of the work constructed. The applicant shall reimburse the City for all related legal costs for review (this reimbursement shall be paid in full prior to filing of the Final Plat).
- Sec. 10.03.047BUILDING PERMITS and CERTIFICATES OF OCCUPANCY.**
- (a) No building permit shall be issued for a lot or building site unless the associated Final Plat has been approved by the City of Celina and all public improvements as required for the Final Plat approval have been completed, except as permitted below:
 - (1) Building permits may be issued for nonresidential and multiple-family development provided that a Final Plat is approved by the Planning & Zoning Commission and construction plans have been released by the Director of Engineering. Building construction will not be allowed to surpass the construction of fire protection improvements.
 - (2) The Director of Development Services may authorize residential building permits for a portion of a subdivision, provided that a Final Plat has been approved by the Planning & Zoning Commission and all public improvements have been completed for that portion of the development, including but not limited to those required for fire and emergency protection. Notwithstanding, no lot may be sold or title conveyed until a Final Plat approved by the Planning & Zoning Commission has been recorded.
 - (3) No certificate of occupancy shall be issued for a building permit or the use of a property unless all subdivision improvements have been completed and the Final Plat approved by the Planning & Zoning Commission has been recorded in the County. Notwithstanding the above, the Director of Development Services may authorize the temporary occupancy of a structure provided that an agreement providing cash escrow, a letter of credit, or other sufficient surety is approved by the

City for the completion of all remaining public improvements. The certificate of occupancy may be revoked if the Final Plat approval and filing process is not completed.

- (4) The temporary certificate of occupancy shall state on its face that the recipient accepts all liability resulting from occupancy of the building or space and indemnifies the City thereof.

Sec. 10.03.048 - 10.03.059 Reserved for future use.

ARTICLE 10.03.060 SPECIAL EXTRATERRITORIAL JURISDICTION POLICIES & REGULATIONS

Sec. 10.03.061GENERAL POLICIES IN THE EXTRATERRITORIAL JURISDICTION (ETJ).

- (a) **Application of Requirements.** Unless otherwise stated within this Subdivision Ordinance, all standards, specifications and regulations herein shall apply to development within the City's extra-territorial jurisdiction (ETJ).
- (b) **Extension of City Services.** Given that land proposed for development in the City's ETJ must be served adequately by essential public facilities and services, including those related to adequate water distribution, wastewater collection and treatment, streets, pedestrian circulation, storm drainage conveyance, and park and recreational facilities, the following policies for the provision of infrastructure services provided by the City of Celina into the City's ETJ shall apply:
- (1) It is in the City's best interest to encourage development in areas adjacent to compatible development already receiving City services, and particularly where those services have excess capacity.
 - (2) It is in the City's best interest to annex areas that:
 - i. Need to be protected in order to prevent or reduce flood damage in existing urban areas;
 - ii. Possess unique physical characteristics;
 - iii. Have requested City services; or
 - iv. Minimize the City's fiscal liability.
 - (3) It is in the City's best interest to withhold all water and sewer extensions outside the City's limits except in instances where the extension will serve a large-volume user who has agreed in writing to annexation at a predetermined date, and who has demonstrated that a significant community benefit will accrue to the City if it provides such service outside the City's limits, and where no significant fiscal liabilities will be incurred by the City.
 - (4) It is in the City's best interest to provide services, other than water and wastewater service, to individual users beyond the City's limits:
 - i. Upon request and under contracts or cost-sharing arrangements that minimize future City fiscal liability;
 - ii. Upon request and under contracts or cost-sharing arrangements that encourage compact development;
 - iii. Upon request and under contracts or cost-sharing arrangements that ensure compliance with City subdivision, building, electrical, plumbing and fire codes; and
 - iv. When it is not in the City's best interest to annex the areas to be served.
 - (5) The City shall therefore provide for extension of public facilities and services only under the following circumstances:
 - i. Such extension is part of an annexation agreement that provides for development consistent with established City objectives and policies, as described and illustrated in the *Comprehensive Plan*;
 - ii. Such extension allows the City to retain its right under State law to annex the property in the future;
 - iii. The quality of the development that is occurring or will be occurring is consistent with City standards;
 - iv. The use or development offers significant public benefits to the City; and
 - v. The proposed development and land uses comply with City Building and Fire Codes (as agreed to in an annexation agreement with the City).
 - vi. The area to be served is, or becomes a part of, the City's Certificates of Convenience and Necessity (CCN) when required by State law.

- (c) **Design and Construction Standards for Public Improvements in the City's Extraterritorial Jurisdiction (ETJ).** All public improvements constructed in conjunction with a new development in the City's ETJ shall be designed, engineered, and constructed in accordance with the City's standards and all other applicable City master plans (e.g., *Water Reuse Master Plan*, the *Comprehensive Plan*, Fire Codes, etc.).

Sec. 10.03.062DENTON & COLLIN COUNTY REGULATIONS.

- (a) The City has executed interlocal cooperation agreements, as authorized under CHAPTER 242 of the TEXAS LOCAL GOVERNMENT CODE, with Denton or Collin County.
- (b) Denton or Collin County has assigned to the City its authority to approve plats in the City's ETJ. The agreement also provides for the City to enforce its subdivision regulations, together with specified regulations of Denton or Collin County, within the City's ETJ via Interlocal Cooperation Agreements.
- (c) In the event that the subdivision rules and regulations of Denton or Collin County provide a more stringent standard than those of the City, then the more stringent standards shall apply.
- ~~(e)~~(d) International fire codes apply to all ETJ properties for health, life, and safety purposes.

Sec. 10.03.063CITY PARTICIPATION IN IMPROVEMENTS IN THE ETJ.

- (a) **Improvements.** The City shall not be required to participate in the cost of any improvements where such improvements required by this Ordinance are outside the corporate limits of the City (i.e., they are within the City's ETJ area).
- (b) **Certificates of Occupancy/Utility Connections.**
- (1) A Certificate of Occupancy for non-residential and multiple-family projects within the City's ETJ shall not be issued until a Letter of Final Acceptance has been issued by the City, and a copy of such Letter has been submitted to the Building Official by the developer, unless otherwise authorized by the City Manager or designee (refer to Section 10.03.046(d), *Acceptance or Rejection of Improvements by the Director of Engineering*).
 - (2) Utility connections for all developments in the City's ETJ shall not be issued until a Letter of Final Acceptance has been issued by the City or appropriate utility district, as applicable, and a copy of such letter has been submitted to the Building Official by the developer, unless otherwise authorized by the City Manager (refer to Section 10.03.046(f), *Acceptance or Rejection of Improvements by the Director of Engineering in ETJ*).

Sec. 10.03.064OTHER ETJ REGULATIONS.

- (a) **Minimum Lot Size without Platting.** Any subdivision of land within the ETJ must be platted unless the resulting subdivided lots are a minimum of ten (10) acres each, each subdivided lot has access to a public street, and no public improvements are being dedicated. This regulation is to encourage platting of land within the ETJ.
- (b) **No Land Uses Shown on Plats.** Proposed land uses may not be shown on plats within the ETJ, unless specifically allowed by the Director. Proposed land uses that may be shown on plats prior to the adoption of this ordinance do not in any way establish zoning or vest any rights to the use of the property in the future.

Sec. 10.03.065TREE PRESERVATION IN THE ETJ.

- (a) **Purpose.** The purpose of this section is to encourage the preservation of mature trees which, once removed, cannot be replaced by equivalent trees, to preserve the health and viability of retained trees during construction, and to control the removal of protected trees when necessary. It is the intent of this

section to achieve the following:

- (1) Prohibit the indiscriminate clearing of property;
- (2) Protect and increase the value of residential and commercial properties within the City;
- (3) Maintain and enhance a positive image for the attraction of new business enterprises to the City;
- (4) Protect healthy quality trees and promote the natural ecological environmental and aesthetic qualities of the City; and
- (5) Help provide needed shaded areas in order to provide relief from the heat by reducing the ambient temperature.

(b) **Construction Regulations.**

- (1) Tree pruning restrictions. No protected tree shall be pruned in such a manner which significantly disfigures the tree or in a manner which would reasonably lead to the death of a tree, except where such pruning is necessary for the safety of the public or to maintain utility service. Utility companies may prune trees as necessary to re-establish disrupted utility service. The practice of "topping" trees, either ornamental or canopy, is absolutely prohibited except when necessary for utility provision, public safety or some other official nuisance.
- (2) Fill and grading. The area within the drip line of a protected tree shall not be filled or graded.
- (3) Maintenance after development. If any of the trees required to be retained or trees planted as a part of this division should die within a period of one year after completion of the activities associated with construction, the owner of the property shall replace the trees within six (6) months at a ratio of three-to-one (3:1) with an approved large canopy tree from the recommended plant materials chart, which is the same size as the tree removed.

(c) **Regulations Prior to Construction.**

- (1) Tree flagging. All protected trees on the subject property within forty (40) feet of a construction area or surface improvements such as driveway, walks, etc., shall be flagged with bright fluorescent colored vinyl tape wrapped around the main trunk at a height of five (5) feet or more such that the tape is highly visible to workers operating construction equipment. This shall not include the flagging of protected trees adjacent to ROW within approved residential subdivisions during the construction of the roadway.
- (2) Protective fencing. Solid, protective fencing a minimum of three (3) feet in height will be located at the drip lines of all protected trees that border the limits of construction. In situations where a protected tree is located within the immediate area of intended construction, protective fencing will be located at or beyond the drip line.

(d) **Regulations During Construction.** The following activities shall be prohibited within the limits of the critical root zone of any protected tree, subject to the requirements of this division:

- (1) Material storage. No materials intended for use in construction or waste materials accumulated due to excavation or demolition shall be placed within the limits of the critical root zone of any protected tree.
- (2) Equipment cleaning/liquid disposal. No equipment shall be cleaned or other liquids deposited or allowed to flow overland within the limits of the critical root zone of a protected tree. This would include paint, oil, solvents, asphalt, concrete, mortar or similar materials.
- (3) Tree attachments. No signs, wires or other attachments, other than those of a protective nature shall be attached to any protected tree.
- (4) Vehicular traffic. No vehicular and/or construction equipment traffic or parking shall take place within the limits of the critical root zone of any protected tree other than on an existing street pavement. This restriction does not apply to single incident access within a critical root zone for purposes of clearing underbrush, emergency restoration of utility service, or routine mowing

operations.

- (5) Grade changes. No grade changes (cut or fill) shall be allowed within the limits of the critical root zone of any protected tree unless adequate construction methods are approved by the Director.
- (6) Impervious paving. No paving with asphalt, concrete or other impervious materials in a manner which may reasonably be expected to kill a tree shall be placed within the limits of the critical root zone of a protected tree.
- (7) Removal of protective fencing. Protective fencing may only be removed from the construction site at the time of the installation of additional, permanent landscaping features.

(e) **Permanent Construction Methods & Standards.**

- (1) Boring. Boring of utilities under protected trees may be required in certain circumstances. When required, the length of the bore shall be the width of the critical root zone at a minimum and shall be a minimum depth of 48 inches.
- (2) Trenching. All trenching where possible shall be designed to avoid trenching across the critical root zone of any protected tree. This shall not inhibit the placement of necessary underground services such as electric, telephone, gas, etc.
- (3) Root pruning. It is recommended that all roots two (2) inches or larger in diameter which are exposed as a result of benching or other excavation be cut off square with a sharp medium tooth saw and covered with pruning compound within two (2) hours of initial exposure.

- (f) **Fees**. Any fees for removal or destruction of trees pursuant to this Section are listed in the Master Fee Chart.

Sec. 10.03.065 to 10.03.069 RESERVED.

ARTICLE 10.03.070SUBDIVISION REQUIREMENTS

Sec. 10.03.071GENERAL SUBDIVISION POLICIES.

(a) Conformance to Plans.

- (1) Public Improvements. Proposed public improvements serving new development shall conform to and be properly related to the public facility elements of the *Comprehensive Plan*, other adopted master plans for public facilities and services, and applicable capital improvements plans, and shall at a minimum meet the service levels specified in such plans.
- (2) Conformance with Master Thoroughfare Plan. All Plats within the City and its ETJ, and corresponding construction plans, shall provide for thoroughfares as shown in the *Master Thoroughfare Plan*. Minor adjustments to thoroughfare alignments may be allowed without amending the *Master Thoroughfare Plan* if the Director of Engineering determines the new alignment meets the spirit and intent of the *Master Thoroughfare Plan* and will not compromise public safety or traffic efficiency. The design and construction of all proposed thoroughfares shall be in conformance with the City's *Engineering Design Standards*, and is subject to approval by the Director of Engineering. Such approvals shall be required prior to any Plat approval.
- (3) Master Thoroughfare Plan Amendment. If a significantly different roadway alignment or a road type other than what is shown on the *Master Thoroughfare Plan* is proposed, then the *Master Thoroughfare Plan* shall be amended prior to any plat approval. Submission of a Traffic Impact Analysis (TIA) of the proposed amendment by the developer may be required if the Director of Development Services and the Director of Engineering determine that such an analysis is necessary to fully assess the impact of the proposal upon the City's overall thoroughfare network.
- (4) Water and Wastewater Plans. The design and construction of the water system and wastewater system to serve the development shall be in conformance with the City's master plans for water and wastewater facilities and with the *Engineering Design Standards*. The design is subject to approval by the Director of Engineering prior to approval of the construction plans and the Final Plat.
- (5) Storm Drainage Standards. The design and construction of the storm drainage system to serve the development shall be in conformance with, but not limited to, the City's master plans for storm water drainage, with the City's storm drainage policies (*Water Reuse Master Plan*), and with the *Engineering Design Standards*. The design is subject to approval by the Director of Engineering prior to approval of the construction plans and the Final Plat.

(b) Provision of Adequate Public Facilities.

- (1) Adequate Services for Areas Proposed for Development. Land proposed for development in the City and in the City's ETJ shall be served adequately by essential public facilities and services, including, but not limited to, water distribution, wastewater collection and treatment, roadways, pedestrian circulation, storm drainage conveyance, and park and recreational facilities. Land shall not be approved for platting or development until adequate public facilities necessary to serve the development exist or provisions have been made for the facilities, whether the facilities are to be located within the property being developed or offsite.
 - i. Street Access. A plat will not be approved unless all of the proposed lots have safe and reliable street access or frontage for daily use and emergency purposes.
 - a. A plat will not be approved unless all of the proposed lots have access to an improved public street (or a public street that will be improved during construction of the proposed development) that meets the City's minimum design and paving standards, or to an approved public way or mutual access easement that is connected to an improved public street.

- b. Except for lots that are provided access from an approved cul-de-sac, all lots within a development shall have at least two (2) means of access or approach. Where development phasing or constraints of the land prevent the provision of a second, separate means of access, the City may, but is not required to, accept a temporary, paved street connection provided that a second permanent access point can be reasonably anticipated with future development of adjacent properties.
- c. In certain circumstances where providing two (2) means of access to a site is not feasible, the Planning & Zoning Commission may waive this requirement if staff can demonstrate that the site can be adequately served by emergency vehicles and that life and safety issues have not been compromised.
- d. For properties situated adjacent to an existing or planned median-divided thoroughfare, at least one (1) of the required access points shall occur at, or through access easement connection to, a median opening. (See Diagram 10.03.112, *Median & Cross Access*)
- ii. **Water.** A Plat will not be approved unless all of the proposed lots are connected to a public water system which is capable of providing adequate water for health and emergency purposes.
 - a. Except for lots along an approved cul-de-sac, all lots shall be provided service connections from a looped water main providing water flow from two (2) directions or sources.
 - b. Water service shall be sufficient to meet the fire flow requirements of the proposed development, except where a suitable alternative means of fire protection is approved by the Fire Chief.
 - c. The City may require the phasing of development and/or improvements to the water system to ensure adequate fire protection.
 - d. Plats for residential lots greater than one (1) acre in size may use private well water, at the discretion of the Director of Engineering.
- iii. **Wastewater.** A Plat will not be approved unless all of the proposed lots are served by an approved means of wastewater collection and treatment.
 - a. The projected wastewater discharge of a proposed development shall not exceed the proposed capacity of the wastewater system.
 - b. The City may require the phasing of development and/or improvements to the sanitary sewer system so as to maintain adequate wastewater capacity.
 - c. Plats for residential lots greater than one (1) acre in size may use authorized private septic systems, at the discretion of the Director of Engineering.
- iv. **Storm Drainage.** Increased storm water runoff attributable to new development shall not cause impacts to adjoining, upstream or downstream properties. Impacts are defined as the change (delta) in runoff between pre- and post-development counts. Where the projected runoff from a new development exceeds runoff from pre-development conditions, the City may require the phasing of development, the use of control methods such as retention or detention, obtaining off-site drainage easements, and/or the construction of off-site drainage improvements as means of mitigation. All designs shall comply with the Engineering Design Standards, as it exists or may be amended.
- (2) **City's Cost of Review.** Should the City deem that adequate review of the roadway, water, wastewater, or drainage submittal should be outsourced to a third party, the cost of such review shall be passed through to the developer or applicant.
- (3) **Property Owner's Responsibilities.** The property owner shall be responsible for, but not limited to, the following:
 - i. **Dedication and Construction of Improvements.** The property owner shall dedicate all rights-of-way and easements for, and shall construct and extend, all necessary on-site and off-site

public improvements for water distribution, wastewater collection and treatment, streets, storm drainage conveyance, and other improvements that are necessary to adequately serve each phase of a proposed development at service levels that are consistent with the City's applicable master facilities plans and *Engineering Design Standards*.

- ii. *Abutting Substandard Streets*. Where a substandard street abuts or traverses a proposed development, the City may require the property owner to dedicate additional right-of-way and to improve the street to the current City design and construction standards as set forth in the *Engineering Design Standards*. Such requirements to improve the substandard street to the City's current standards shall only be imposed following careful review of factors including, but not limited to:
 - a. The impact of the new development on the street;
 - b. The timing of the development in relation to need for the street; and
 - c. The likelihood that adjoining property will develop in a timely manner.
- iii. In the case of frontage or service roads for state or federally designated highways, the entire abutting right-of-way shall be dedicated to the City and improved to the County, State or Federal agency's applicable construction design standards if such improvement is approved by the agency.
- iv. *Right-turn Lanes Mandatory*. The City reserves the right to require free right turn lanes into any development from a Collector or higher category roadway. Should the applicant request a waiver from this requirement, the applicant must provide to the City a study by an acceptable third party that justifies the elimination of the required free right turn lane.
- v. *Facilities Impact Studies*. The City may require that a developer prepare a comprehensive Traffic Impact Analysis (TIA), flood or drainage study or downstream assessment, or other facilities impact studies in order to assist the City in determining whether a proposed development will be supported with adequate levels of public facilities and services concurrent with the demand for the facilities created by the development. The cost of such study or studies shall be borne by the applicant.
- vi. *Timing and Approval of Studies*. Any outside study shall be subject to approval by the Director of Engineering prior to approval of the Preliminary Plat and the construction plans. The City also may require, at the time of approval of subsequent applications (e.g., Final Plat), an update of a facilities impact studies that were approved in conjunction with a prior application (e.g., Preliminary Plat).
- vii. *Future Extension of Public Facilities*. The property owner shall make provisions for future expansion of the public facilities as needed to serve future developments, subject to the City's oversize participation policies, if applicable.
- viii. *Operations and Maintenance of the Public Facilities*. The property owner shall provide for all operations and maintenance of the shared public facilities located on private property, or shall provide proof that a separate entity will be responsible for the operations and maintenance of the facilities.
- ix. *Fiscal Security*. The property owner shall provide all fiscal security required for the construction of the public facilities.
- x. *Approvals from Utility Providers*. The property owner shall obtain all necessary approvals from the applicable utility providers other than the City, and shall submit written verification of such approvals to the City with the construction plans.
- xi. *Compliance with Utility Providers*. The property owner shall comply with all requirements of the utility providers, including the City and applicable utility districts.

(c) **Provision of Utilities**. All electrical, cable, and other telecommunications systems shall be located

underground with the exception of regional transmission lines.

Sec. 10.03.072WATER, WASTEWATER & DRAINAGE REQUIREMENTS & ENVIRONMENTAL STANDARDS.

(a) Water & Wastewater Basic Policy.

(1) Construction Requirements.

- i. All public water and wastewater mains shall be located in the frontage of the property along streets, or in easements adjacent to the development in order to provide service to adjacent property.
- ii. Public water and/or wastewater mains shall not be located within a private street, drive or access easement unless a public utility easement is provided.
- iii. The minimum easement width for water or wastewater mains shall be fifteen (15) feet, or as determined by the Director of Engineering. Where it is necessary for water and wastewater facilities to be located within the same easement, the easement shall be a minimum of twenty (20) feet in width, or as determined by the Director of Engineering.
- iv. No portion of a structure (including, but not limited to, walls, foundations, porches/patios and porch/patio covers, canopies, roof extensions/overhangs, chimneys, fire flues, etc.) shall encroach over or into any easement, except that wall-attached window awnings, "bay" style windows, and roof eaves shall be allowed to encroach into an easement a maximum of twenty-four (24) inches.
- v. A water or wastewater easement between two (2) lots must fall entirely on a single lot and shall not straddle the lot line unless specifically approved by the Director of Engineering for cause.
- vi. Easements shall be dedicated for exclusive use for water and wastewater facilities and shall be shown on the Final Plat for the specific purpose intended. When it is necessary for additional utilities to be placed within such utility easement, additional width shall be provided and the easement shall be labeled for its additional intended purpose on the Final Plat.
- vii. When it is necessary to relocate or replace an existing water or sewer facility to accommodate a proposed subdivision, the developer is responsible for all costs associated with the relocation, except as agreed to by City Council for oversize participation.

(2) Construction Plans. Plans for construction of all water and wastewater facilities required by these regulations shall be prepared in accordance with the requirements and specifications contained in the *Engineering Design Standards*, the regulations of the Texas Commission on Environmental Quality (TCEQ), National Sanitation Foundations (NSF), Texas Department of Insurance, Insurance Services Office, and the City's current adopted Fire Code, which are incorporated by reference and made a part hereof. Plans for the improvements must be prepared by a licensed engineer and accepted by the Director of Engineering.

(3) Acquisition of Easements. The developer shall be responsible for the acquisition of all required off-site easements. If the developer is unable to acquire the necessary off-site easement, the City shall be provided with easement or right-of way survey documents and exhibits, documentation, including evidence of a reasonable offer made to the affected property owner. Upon receiving a written request for assistance, the City may, at its option, acquire these easements either through negotiations or through condemnation in appropriate situations. The developer shall reimburse the City for the costs of acquiring the necessary easements including but not limited to attorney fees, expert fees, and title searches.

(b) Preliminary Utility Plan.

(1) Submission of Plans. Concurrent with the submission of a Preliminary Plat, Final Plat, Replat or Minor Plat, the developer shall submit a plan showing the location and size of water, wastewater, and

storm drainage mains that will be required to provide adequate service and fire protection to the lots specified in the proposed plat. Plans and specifications for fire hydrant systems shall be submitted to the Fire Marshal for review prior to construction.

(2) Plan Document. The plan shall conform to the *Engineering Design Standards*.

(3) Coordination with other Utility Providers.

- i. *Preliminary Plat*. When the subdivision is located in an area served by a utility provider other than the City, the developer must provide a water system analysis.
- ii. *Minor Plat, Replat*. When a subdivision is located in an area served by a utility provider other than the City, the developer must provide a letter from the utility provider stating that the existing facilities provide adequate domestic service and fire protection. If the City has reason to believe that there may be water supply or pressure concerns, a water system analysis may be required.
- iii. *Final Plat*. The final plat will not be filed with Denton or Collin County until a letter has been provided from the utility provider stating that they have accepted the plans for construction.

(c) **Miscellaneous Requirements.**

- (1) No building or structure shall be constructed within or over an existing wastewater, lateral, water main or storm drain easement unless approved in writing by the Director of Engineering in a signed and executed Development Agreement, approved by City Council, stating that any damage to the lines within or over the easement caused by the erection of the sign or construction of any building or structure shall be repaired to City standards at the property owner's expense. Additionally, should the City, the County and/or franchise utility company require access to said easement that any repairs to the affected building, sign or structure shall be solely at the expense of the property owner.
- (2) Monument signs may be constructed over an existing wastewater, lateral, water main or storm drain easement if approved by the City Manager or designee in a signed and an executed agreement stating that should any disturbance, repair, or realignment conducted by the City or a franchise utility company within the easement that may affect the sign requires that the sign owner make all necessary repairs to the sign, including the entire replacement of the sign, at the owner's sole expense.
- (3) Ownership and maintenance of water and wastewater mains and service connections shall be regulated as follows:
 - i. The title to all wastewater lines constructed, including wastewater service connections located in a right-of-way or dedicated easement, shall be vested in the City or the applicable utility provider.
 - ii. The developer, or single customer, shall be responsible for all maintenance of the wastewater service connection, unless replacement of the service is required under the public roadway or pavement. When replacement is determined to be necessary by the Director of Engineering, the City shall assume the responsibility for replacement of that portion under the pavement.
 - iii. The title to all water mains and water meters constructed, and installed, including the title to service connections, shall be vested in the City or the applicable utility provider.
- (4) The City makes no guarantee that water supply or wastewater capacity will be available at any particular time or place.
- (5) The service lines shall extend across the lot in question to provide future service connections to the adjacent lot.
- (6) Water and wastewater service lines shall be maintained by the property owner.
- (7) Public water and wastewater mains adjacent to federal, state, or county roadways shall be

constructed outside the right-of-way in a separate easement unless otherwise agreed upon by those agencies.

(d) **Water.**

(1) Design & Construction.

- i. *Installation of Water Facilities.* Where water is to be provided through the City system, the property owner shall install adequate water facilities, including fire hydrants, in accordance with the City's *Engineering Design Standards*, the adopted Fire Code, the current Rules and Regulations for Public Water Systems of the Texas Commission of Environmental Quality (TCEQ), and the firefighting standards of the Texas Board of Insurance. If any such requirements conflict, the most stringent requirement shall apply.
- ii. *Facilities for Health and Safety Emergencies; Alternative Water Sources.* All water facilities connected to the City's water system shall be capable of providing water for health and emergency purposes, including fire protection and suppression. Water supply facilities shall be in accordance with the *Engineering Design Standards*. The design and construction of water system improvements and alternative water sources shall also comply with the following standards:
 - a. Design and construction of a water source on the site shall be in accordance with applicable regulations of the Texas Commission on Environmental Quality (TCEQ).
 - b. Design and construction of water service from the City shall be in accordance with the standards in the City's *Engineering Design Standards*.
 - c. Design and construction of a fire protection and suppression system shall be in accordance with the standards in the *Engineering Design Standards*, and in accordance with the City's Fire Department and adopted Fire Code.

(2) Location.

- i. *Shown on Construction Plans.* The location and design of all fire hydrants, all water supply improvements and the boundary lines of special districts, private systems and certified water service areas, indicating all improvements proposed to be served, shall be shown on the construction plans.
- ii. *Extension of Lines.* Extension of water lines shall be made along the entire frontage of the development adjacent to a street. If the subdivision is not adjacent to a street, the extension of water lines shall be accomplished in such a manner as to allow convenient future connections to said lines by new subdivisions and the developer shall provide stub out connections at the property line at the time of water infrastructure installation.
- iii. *Variance from Requirement.* If new subdivisions will never be constructed beyond a developing subdivision due to physical constraints, the Director of Engineering may approve a Minor Variance for this requirement in accordance with Section 10.03.086, *Variances*, of this Ordinance prior to action on the construction plans or prior to action on any plat.

(3) Cost of Installation. The cost of installing all water supply improvements to be made by the developer, including off-site improvements, shall be included in the performance guarantees and Development Agreement, if applicable (refer to Section 10.03.044, *Development Agreements*).

(4) Cost of Extension for Single Customer.

- i. When it is necessary to extend a water line to serve a new single customer where only one meter will be installed, the City at its own expense will extend the said water line up to 100 feet.
- ii. If a distance is equal to or greater than 100 feet is required to reach the nearest property line of the new single customer, the said single customer shall pay one hundred percent (100%) of cost extension in excess of 100 feet.

- iii. If more than one single customer is served by the main extension, 100 feet of main will be allowed for each single customer thus served, and any excess footage will be paid for at one hundred percent (100%).
- iv. No more than one single customer credit of 100 feet will be allowed each lot or tract of record so served regardless of the number of buildings, occupied or otherwise, which might be located on said lot or tract.
- v. Payment will be made in advance of construction.
- (5) Cost of Extension to Serve Developers.
 - i. Where the City's water distribution system is not planned to be extended in time to serve a proposed new development, all necessary water facilities to serve such development shall be provided by and at the expense of the developer. If oversizing of a water facility is deemed necessary by the Director of Engineering for future developments, then the City may participate in such oversizing costs as part of a Development Agreement.
 - ii. The developer will pay one hundred percent (100%) of the construction cost of the size mains required to serve his development, including the design, construction, and City inspection of the approach main(s).
 - iii. When the developer desires that water mains be extended to serve his property, he will submit a request in writing to the Director of Engineering. The property to be served shall be listed showing the lot, block and subdivision. If the area to be served is a part of a larger area that is owned or controlled by the developer and which is reasonably expected to be served by water in the future, a tentative design of a main layout will be made of the entire area. The cost estimate will be made on that portion of the subdivision to be served immediately.
- (6) Individual Wells in ETJ.
 - i. *Well Approval.* Individual wells to provide potable water within the City's ETJ shall be subject to approval by the Denton or Collin County health official, and this approval shall be documented by the health official's signature on the water system statement on the Preliminary and Final Plat. The property owner must submit with the Preliminary and Final Plat applications a certificate from a professional engineer who is registered or a geoscientist who is licensed to practice in the State of Texas verifying the adequacy of the proposed well water supply and potability prior to Preliminary Plat and construction plans approvals.
 - ii. *Compliance with Other Regulations.* Installation, operations and maintenance of individual wells shall comply with City standards, regulations of the Texas Commission on Environmental Quality (TCEQ), and any other applicable County or State rules and regulations. In the event of conflict among these regulations, whichever is the most stringent shall apply.
- (7) Alternative Water Systems. Developments may be approved with alternative water facilities according to the following criteria:
 - i. Water well operation and quality shall meet the minimum requirements of the Texas Commission on Environmental Quality (TCEQ), Denton or Collin County, City health ordinances, and all other regulatory agencies, as applicable.
 - ii. Water wells may not be used for commercial sale of water.
 - iii. The cost to tie onto the public water system must exceed the certified initial capital cost of a well by twenty-five percent (25%). All costs and engineering designs shall be submitted by a licensed professional engineer and are subject to review and approval by the Director of Engineering. If a residence is located within 1,000 feet of a domestic water supply, that residence must be connected to that service.

(e) **Wastewater.**

- (1) Extension of and Connection to the City's Wastewater Collection System. Extension of, and connection to, the City's sanitary sewer system shall be required for all new developments within the City limits. Extension of, and connection to, the municipal sewer system shall also be required for new developments within the City's ETJ for any proposed development, lot, tract or parcel that is less than one (1) acre in size. The City is not in any way obligated to allow extension of municipal sewers outside the City limits. The required extension of, and connection to, the municipal sewer system may be waived as a Minor Variance, in accordance with Section 10.03.086, *Variances*, by the Director of Engineering if the Director of Engineering determines that such extension would require unreasonable expenditures and that an on-site wastewater disposal system (see Section 10.03.072(e)(5), *On-Site Wastewater Disposal Systems*) will function properly and safely.
- (2) Design & Construction. It is the policy of the City to require all wastewater collection lines to have gravity flow. The use of lift stations and force mains is prohibited unless a gravity design is impractical, as determined by the Director of Engineering. The location, design and sizing of all wastewater improvements shall be shown on the construction plans and are subject to approval by the Director of Engineering.
- (3) Cost of Installation. The cost of installing all wastewater improvements to be made by the developer, including off-site improvements, shall be included in the performance guarantees and Development Agreement, if applicable.
- (1) Community Sanitary Sewerage Collection Systems. All subdivisions developed subsequent to this ordinance must be served by community sanitary sewerage collection, treatment and disposal systems approved by the City with exceptions granted only if all of the following conditions exist:
 - i. The subdivision in question is less than five (5) parcels of land;
 - ii. The existing community type collection, treatment and disposal system is not and cannot feasibly, in the opinion of the Director of Engineering, be made available to the area of development; and,
 - iii. Percolation tests run by an independent testing laboratory are submitted to both the City and County health department with results showing that a septic tank and spreader field can be developed to provide adequate disposal of the sewage.
- (2) Sewer Extensions, Generally. All sewer extensions shall be designed in accordance with the latest applicable rules and regulations as published by the Texas State Department of Health and Texas Commission for Environmental Quality (TCEQ). All sewers shall be designed with consideration for serving the full drainage area subject to collection by the sewer in question except as modified with the concurrence of the Director of Engineering because of the projected rate of development or the financial feasibility of the proposed extension.
- (3) Sewer Extensions for Single Customers.
 - i. Where it is necessary to extend a sewer line to serve a new single customer, the City, at its own expense, will extend said sewer up to 100 feet.
 - ii. If a distance is equal to or greater than 100 feet should be required to extend the line to the nearest property line of the customer, said single customer shall pay the excess over the 100 feet allowable at the rate of one hundred percent (100%) of cost.
 - iii. If more than one single customer is served by the main extension, 100 lineal feet of sewer will be allowed for each single customer thus served, and any excess footage will be paid for at one hundred percent (100%) of cost.
 - iv. No more than one single customer credit of 100 feet will be allowed for each lot or tract of record so served regardless of the number of buildings, occupied or otherwise, which might be located on said lot or tract.
 - v. Payment will be made in advance of construction.

- vi. All service lines shall be designed and constructed in accordance with the Wastewater Master Plan.
- (4) Extensions to Serve Developers. The developer shall pay one hundred percent (100%) of the construction cost of all sewers including the design and construction of "approach mains," but excepting "service lines."
 - i. The developer will also pay one hundred percent (100%) of the cost of service lines to all lots to be served by a sewer located in the street. Said service lines will be constructed at the same time as a part of the same contract as all other sewers in the developer's addition. If the sewers are being constructed by City forces, the service lines will be constructed by City forces at the time all other sewers within the addition are constructed.
 - ii. The Director of Engineering shall determine the size of the approach main required to serve developer's property and the actual size to be constructed. Should the City elect to construct a main larger than the developer's required approach main, the developer will not be charged for the additional upsizing.
 - iii. The amount of developer's payment shall be determined using unit bid prices contained in the award contract.
 - iv. All service lines shall be designed and constructed in accordance with the Wastewater Master Plan.
- (5) Required Stub-Out to Adjacent Properties. All lateral and sewer mains installed within a subdivision must extend to the borders of the subdivision as required for future extensions of the collecting system regardless of whether or not such extensions are required for service within the subdivision.
- (6) Lift Stations or Separate Treatment Facilities. The provision for lift stations or separate treatment facilities will not be permitted unless the cost of constructing such lift stations or separate facilities is at least twenty percent (20%) less than the costs of constructing an adequate outfall or approach sewer from the existing system.
- (7) Connections. No connection shall be made to any sanitary sewerage system within the City which will permit the entrance of surface water or waste of other than domestic sewage characteristics without the specific authorization by the City Council.
- (8) On-Site Wastewater Disposal Systems.
 - i. In cases where the Director of Engineering determines that extension of and connection to the City's sewer system is impractical or not feasible, and where the Director of Engineering approves the use of an on-site wastewater disposal systems, such on-site systems shall provide adequate sewage disposal for all lots, tracts, parcels and structures in the development that cannot be connected to the City's sewer system.
 - ii. All on-site wastewater disposal systems shall be designed, permitted, constructed, operated and maintained in compliance with all applicable local, County and State regulations, and a permit for such system shall be acquired prior to Preliminary Plat and construction plans approvals.
 - iii. On-site wastewater disposal facilities requiring soil absorption systems may be prohibited where such systems will not function properly in conditions of high ground water, flooding, unsuitable soil characteristics, or other topographical or environmental issue.
 - iv. Each lot, tract, parcel and structure that utilizes an on-site wastewater disposal system shall have a minimum land area of at least one (1) acre.
 - v. No portion of any on-site wastewater disposal system shall be constructed within a minimum 150-foot radius around any water well either on-site or on other properties.
 - vi. In order to protect the public health, safety and welfare, an existing on-site wastewater

disposal system shall be upgraded, or reconstructed if necessary, to comply with the City's standards by the owner, at the owner's expense, if the operation of the facility does not comply with government regulations or if it causes objectionable odors, unsanitary conditions, pollution, etc.

(f) **Stormwater.**

- (1) Adoption. This Ordinance is in compliance with the adopted Floodplain Regulations Ordinance and Engineering Design Standards Ordinance of the City of Celina.
- (2) Purpose and Scope. The purpose of policies and design standards set forth herein is to ensure adequate stormwater drainage and flood control within the City of Celina. The policies and standards are included in the most recent version of the *City of Celina, Texas Engineering Standards* manual ("*Engineering Standards*") and are intended to protect public health and safety, to prevent property damage due to flooding, to equitably distribute the cost of necessary drainage improvements, and to minimize the maintenance cost of drainage facilities constructed. Any development or improvement of property affecting storm drainage and flood control in the City of Celina is subject to the provisions of this Ordinance.
 - i. The development of land shall consider all drainage elements normally used in the engineering standards of design.
 - ii. Evaluation of stormwater runoff characteristics shall consider development conditions of the watershed as specified in the *Engineering Standards*.
 - iii. Stormwater design shall evaluate flow rate, volume, and velocity characteristics considering the maximum results from a design storm as specified in the *Engineering Standards*.
- (3) Standard Provisions for Storm Drainage. All construction for storm drainage in the development or improvement of real property within the City of Celina shall conform to the requirements set forth in the *Engineering Standards*.
- (4) Responsibility of Owner or Developer for Storm Drainage.
 - i. The owner or developer of property to be developed or used shall be responsible for all storm drainage flowing through or abutting such property. This responsibility includes the drainage directed to that property by prior development as well as the drainage naturally flowing through the property by reason of topography. It is the intent of this Ordinance that provision be made for storm drainage in accordance with Section 10.03.071(f)(2) and the *Engineering Standards*, at such time as any property effected is proposed for development use.
 - ii. Where the improvement or construction of a storm drainage facility is required along a property line common to two (2) or more owners, the owner hereafter proposing development or use of his property, shall be responsible for the required improvements at the time of development, including the dedication of all necessary right-of-way or easements, to accommodate the improvements.
 - iii. Where a property owner proposed development or use of only a portion of his property, provision for storm drainage in accordance with Section 10.03.071(f)(2) and the *Engineering Standards*, shall only be required in that portion of the property proposed for immediate development or use, except as construction or improvements of a drainage facility outside that designated portion of the property is deemed essential to the development or use of that designated portion.
 - iv. The owner or owners shall dedicate to the City the required drainage easements. Minimum easement requirements are set forth in the *Engineering Standards*. Final determination of easement requirements shall be made by the Director of Engineering.
 - v. In the event that an owner or developer desires to impound stormwater by excavation,

- filling or construction of a dam within a property, thereby creating a lake, pond, or lagoon as a part of the planned development of that property, the following provisions shall apply:
- a. An engineering plan for such construction, accompanied by complete drainage design information, prepared by a registered professional engineer, shall have been approved by the Director of Engineering;
 - b. The owner or developer shall have agreed to retain under private ownership the lake, pond, or lagoon constructed, and to assume full responsibility for the protection of the general public from any health or safety hazards related to the lake, pond, or lagoon constructed;
 - c. The owner or developer shall have agreed to assume full responsibility for the maintenance of the lake, pond, or lagoon constructed;
 - d. The obligations herein shall run with the land and shall be a continuing obligation of the owner or owners of such land;
 - e. The requirements of the Texas Water Code pertaining to impoundment of surface water are complied with including the design, construction and safety of the impounding structure;
 - f. On any existing structure, the owner will furnish a study or design prepared by a professional engineer for the City for approval.
- (5) Responsibility and Participation of the City in Storm Drainage Improvements.
- i. The City may, in its sole discretion, participate in the cost of such improvements as are required by this Ordinance.
 - ii. The City may, in its sole discretion, participate in any project of improvements by the levy of a special assessment against the lands to be enhanced in value by such improvements.
 - iii. The City may acquire drainage easements necessary for such improvements by acceptance of dedication, purchase, or condemnation.
 - iv. The City may, upon acquisition of the drainage easement and the completion of improvements as hereinabove provided, assume full responsibility for the maintenance of such drainage facilities.
- (6) Engineering Design. The design of all storm drainage facilities in the development or improvement of real property shall be in accordance with the requirements set forth in the *Engineering Standards* and the following requirements:
- i. Storm sewer inlets shall be provided along paved streets at such intervals as are necessary to limit the depth of flow according to the requirements set forth in the *Engineering Standards*.
 - ii. A closed storm sewer system shall generally be required to accommodate a run-off exceeding the street capacity, as provided above and as specified in the *Engineering Standards*. Design of open channel systems in lieu of a closed system shall adhere to the requirements set forth in the *Engineering Standards*.
 - iii. The criteria for drainage improvements as hereinabove set forth in paragraphs i. and ii. of this section shall be applicable to publicly owned lands solely at the discretion of the City of Celina.
 - iv. Excavation, fill and grading operations within the city limits shall be undertaken only after a proper permit has been obtained from the City.
- (7) Easements. Drainage easements shall be dedicated for public drainage features in accordance with requirements of this Ordinance and the *Engineering Standards*.
- (8) Stormwater Quality. Designs for new development shall manage stormwater in a manner that protects water quality by addressing the development's potential to cause erosion, pollution,

siltation, and sedimentation in the Municipal Separate Storm Sewer System (MS4) and natural waterways. The goal is to maintain after development, to the maximum extent practical, the predevelopment characteristics in the waterway, which ultimately receives stormwater runoff from the development. It is the developer's responsibility to ensure that designs for new development meet the stormwater management requirements in the General Permit for Stormwater Discharges Associated with Construction Activities (TXR150000) issued by the TCEQ and its successor agencies. This permit includes the requirement for measures that will be installed during construction to control pollutants in stormwater discharges after construction operations have been completed.

- (9) Minimum Finish Floor Elevations. The Director of Engineering may require minimum finish floor elevations (MFF) to provide flood protection on certain lots contained within the subdivision. The MFFs shall be shown on the plat. These elevations shall incorporate the most current floodplain management criteria or other criteria as necessary to avoid damages. The minimum finish floor elevation shall conform with the requirements set forth in the Floodplain Ordinance and the *Engineering Standards*. The following note or an amended version appropriate to the specific plat shall be added to any plat upon which the Director of Engineering requires the establishment of minimum finish floor elevations:

“The City reserves the right to require minimum finish floor elevations on any lot contained within this addition. The minimum elevations shown are based on the most current information available at the time the plat is filed and are subject to change.”

- (10) Off-Site Drainage. When any proposed development requires off-site grading where stormwater runoff has been collected or concentrated, it shall not be permitted to drain onto adjacent property except in existing creeks, channels, storm sewers or streets. In such a case, a drainage easement shall be dedicated and shall be of a width sufficient to comply with the criteria outlined in this Ordinance and the *Engineering Standards*.
- (11) Building or Structure Setback Requirement. Any building or structure constructed, reconstructed, or relocated adjacent to an open drainage channel shall conform to the set-back requirements established in the *Engineering Standards*.
- (12) Construction Over Drainage Facilities. No building or structure shall hereafter be constructed, reconstructed, or relocated over or across any storm drainage facility, unless specifically approved by the Director of Engineering and pursuant to the criteria established in the *Engineering Standards*.
- (13) Stormwater Storage. Temporary storage of stormwater on-site is allowable pursuant to the criteria established in the *Engineering Standards*.

(g) **Preliminary Stormwater Management Plan.**

- (1) A preliminary stormwater management plan (SWMP) shall be prepared for all developments in accordance with the *Engineering Standards*. The purpose of the SWMP is to identify permanent water quality feature opportunities for the development.
- (2) The preliminary SWMP shall be prepared in coordination with the preliminary drainage plan on all projects where both are required. The preliminary SWMP and the preliminary drainage plan may be shown on the same sheet.
- (3) The preliminary SWMP must comply with the standards and criteria outlined in this Ordinance, the *Engineering Standards*, and the Floodplain Ordinance. The plan may satisfy the stormwater management portion of the SWPPP that is required for construction activities; however, the SWMP is not a substitution for the SWPPP. The City's review of the preliminary SWMP does not constitute acceptance of the final SWMP or the final development plans.
- (4) The developer shall provide a preliminary SWMP for the area proposed for development. For

amended plats or plats with a previously accepted preliminary SWMP, the accepted preliminary SWMP shall be enforced unless a revised preliminary SWMP is required.

- (5) Electronic copies of the preliminary SWMP plan shall be submitted with the submittal of a preliminary plat, replat, or minor plat for review and acceptance. The plan shall be labeled as "Preliminary." Upon acceptance of the plan, the plan shall be signed, sealed, and dated by the engineer, or shall contain a statement showing the engineer's name and license number and affirming the plan was prepared under the direction of the engineer and that the plan is preliminary. At the discretion of the Director of Engineering, an earthwork permit may be issued prior to the plat being filed so long as a floodplain development permit, if necessary, and a SWPPP have been approved. The developer takes the financial risk of grading the tract prior to final approval of the plat and construction plans.

(h) **Preliminary Drainage Plan.**

- (1) The Director of Engineering may require a Hydrologic and Hydraulic Analysis and reserves the right to review.
- (2) This plan shall show the watershed affecting the development and how stormwater will be conveyed to, through, and from the development. It must comply with the standards outlined in this Ordinance and the drainage design criteria found in the *Engineering Standards*. The preliminary drainage plan is a guide for the detailed drainage design. The review of the preliminary drainage plan does not constitute final drainage plan approval or authorize a variance to this Subdivision Ordinance.
- (3) For any property involved in the development process, a preliminary drainage plan shall be provided, at the developer's expense, for the area proposed for development. For property with a previously accepted preliminary drainage plan, the accepted preliminary drainage plan may be submitted and enforced unless a revised preliminary drainage plan is required by the City due to lot reconfiguration or other conditions created by the new plat. The Director of Engineering may waive the requirement for a preliminary drainage plan if the submitted plat is not anticipated to cause any significant change in runoff characteristics from a previously accepted drainage study or for single residential properties where no drainage problems are anticipated. If the applicant requests a variance in writing, a copy of any previous drainage plan shall be provided.
- (4) At the request of the City, the property owner shall submit additional studies, including but not limited to the following, as deemed appropriate and necessary by the City, as part of the Preliminary Plat submittal requirements. These studies shall be considered during review and approval of the Preliminary Plat. For any study required by the City that is outsourced to a third party, the cost of such study shall be passed through to the developer or applicant.
 - i. Environmental Assessment;
 - ii. Wetland Delineation Study;
 - iii. Habitat Study;
 - iv. Vegetative Study;
 - v. Erosion Hazard Setback Study;
 - vi. Storm Drainage Study;
 - vii. Riparian (i.e., Tributary) Study;
 - viii. Flood Study; and
 - ix. Downstream Assessment Study.
- (5) Electronic copies of the preliminary drainage plan shall be submitted with the submittal of a preliminary plat, replat, or minor plat for review and acceptance. The plan shall be labeled as "Preliminary." The plan shall be stamped and dated by the engineer and be accompanied by a floodplain development application describing the hydrologic and hydraulic impacts of the

development and all associated supporting data files.

(i) **Major Creeks.**

- (1) Definition. Major creeks shall be defined by the most recent "Major Creek" map maintained by the City of Celina and available to developers upon request.
- (2) Major Creek Restrictions. All major creeks shall be maintained in an open natural condition. All major creeks are subject to the requirements set forth in the *Engineering Standards* and the additional following requirements for all types of development:
 - i. The 100-year floodplain and Erosion Hazard Setback shall be dedicated on the Final Plat to the City as a single lot or shall be owned and maintained by an HOA or POA, pursuant to Section 10.03.079(d), *HOA Requirements*, of this Ordinance.
 - ii. At no time shall any portion of the 100-year floodplain encroach upon any single-family or two-family residential lot.
 - iii. The Commission may waive any of these dedication requirements for a Replat that was originally platted prior to the adoption of this Subdivision Ordinance.
- (3) Access. Public access to parks and open space shall be dedicated for maintenance purposes as required by the Director of Engineering.

(j) **Floodplain Development Requirements.**

- (1) 100-Year Floodplain Restrictions. All development proposed adjacent to or within the 100-year floodplain shall be in accordance with this Ordinance, the City's Floodplain Ordinance, and the *Engineering Design Standards*. A floodplain development permit and earthwork permit must be submitted and approved by the Director of Engineering prior to any construction on the site.

(k) **Detention & Compensatory Flood Storage Facilities.**

- (1) Intent. The City of Celina encourages the use of detention basins and compensatory flood storage areas for the benefits of the community outlined below:
 - i. Control of flood discharges. The intent of detention basin and compensatory flood storage design shall be to reduce flood discharges for the ultimate watershed development conditions without increasing peak discharges above the peak discharges for undeveloped watershed conditions. This storage method serves as a key strategy of the stormwater management plan.
 - ii. Environment. As development occurs, there is a loss of wildlife and bird life habitat. It is possible to create a natural micro-environment around ponds and storage areas that can offset this loss of habitat. These "natural" environmental pockets in conjunction with natural open space areas can help maintain the rural setting of the City. Detention ponds also benefit downstream water quality by allowing the sedimentation of pollutants.
 - iii. Recreation. Detention basins and storage areas offer many recreational opportunities in an urban setting; for example, a normally dry detention basin could be used for athletic fields or picnic areas, while the banks of a pond offer valuable park space.
 - iv. Aesthetics. As an integral part of the City of Celina, a detention basin or flood storage area needs to blend into the landscape and into the community. Measures such as gentle side slopes, planting of trees and shrubs, and other landscaping features can transform the detention facility into an attractive amenity for the neighborhood.
- (2) Requirements.
 - i. All detention and compensatory flood storage facilities shall be designed and constructed according to the requirements set forth in the *Engineering Design Standards*.
 - ii. Detailed engineering studies of the drainage basin according to the requirements set forth in the *Engineering Standards* shall be required to evaluate the timing of hydrographs from

- regional and on-site facilities, as well as backwater calculations to determine the effect of the detention/retention and flood storage facilities on upstream water surface elevations.
- iii. All detention and compensatory flood storage facility designs shall be performed by a professional engineer registered in the State of Texas and shall meet the requirements of Permanent Rule 31, Texas Administration Code (TAC) Chapter 299, and other requirements, as applicable.

iv. Detention ponds shall have trees planted on the perimeter of the facility at a rate of one large canopy tree for every ~~forty~~^{forty} (450) linear feet.

Detention ponds shall be designed in a manner to be an amenity to the development by providing a reduced six-to-one (6:1) slope. Detention "pits" with sheer exterior walls are generally prohibited for residential subdivision designs. The Director of Engineering may provide minor modifications to the slopes of detention ponds.

~~iv. Detention ponds may not be located in a landscape buffer area adjacent to perimeter roadways.~~

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Sec. 10.03.073STREET & ALLEY STANDARDS.

(a) Streets Basic Policy.

- (1) Street Improvements. In platting a new development, the property owner shall provide additional right-of-way needed for existing or future streets as required by the *Engineering Design Standards* and as shown on the Thoroughfare Plan (see Table A, *Thoroughfare Types & Standards*).
- (2) Existing Substandard Streets.
 - i. When a proposed residential or nonresidential development abuts one (1) or both sides of an existing substandard street, the developer shall be required to improve the substandard street and its appurtenances (such as curbs and gutters, sidewalks, barrier-free ramps, street trees, etc.) to bring the same to City standards, or to replace it with a standard City street, at no cost to the City other than as may be provided in the City's cost-sharing policies, including any ordinances that are in effect at the time of Final Plat approval.
 - ii. If the proposed development is located along only one (1) side of a substandard street, and if the City makes a determination that it is not feasible to improve the full width of said substandard street at that time the City may require the developer to pay into escrow, in accordance with Section 10.03.044, *Development Agreements*, funds for the future improvement of the street as a condition of Final Plat approval for the development.
 - iii. When a Traffic Impact Analysis (TIA) is required or voluntarily submitted, the findings determined shall not be imposed on the requirements, alignment, rights-of-way, and number of lanes shown on the Master Thoroughfare Plan, as it exists or may be amended. The TIA may be used to justify amendments to the Thoroughfare Plan, but in no case shall dictate such amendments.
- (3) New Perimeter Streets.
 - i. When a proposed residential or nonresidential development is developed abutting an existing or planned major thoroughfare, minor thoroughfare or collector street as shown on the Master Thoroughfare Plan, the developer shall construct a portion of the abutting street and its appurtenances (such as curbs and gutters, sidewalks, barrier-free ramps, street trees, etc.) to the City's standards for that type of street (per the *Engineering Design Standards*). If the Director of Engineering determines that it is not feasible to construct the abutting street and its appurtenances at the time of development, the City may require the developer to pay into escrow, in accordance with Section 10.03.044, *Development Agreements*, funds for the future construction of the street as a condition of Final Plat approval for the development. The funds

placed in escrow or the value of the lanes constructed shall be roughly proportional to the amount of traffic estimated to be generated by the development itself.

- ii. When a proposed residential or nonresidential development is constructed and has designed an unplanned perimeter street in order to provide access to the site and/or adjacent land, the developer shall construct a portion of the abutting street as described in Section 10.03.073(a)(4), *New Internal Streets*, below, and under the same conditions.
- iii. Streets at the entrance to residential, multiple-family, and non-residential developments shall have decorative pavers or stamped concrete to delineate the entrance. Single family developments shall have a divided entrance with the median being a common area lot to be owned and maintained by the HOA. An entrance monument sign may be located on this lot.

(4) New Internal Streets.

- i. All new streets and their appurtenances internal to a proposed residential or nonresidential development shall, at a minimum, be built to a width and design that will adequately serve the development, and shall conform to the City's standards as described in the *Engineering Design Standards*. If oversizing of an internal street is deemed necessary by the Director of Engineering for traffic safety or efficiency (such as adjacent to a school or park site), then the City and/or the applicable entity may participate in such oversizing costs as part of a Development Agreement/Facilities Agreement with the developer.
- ii. Streets which temporarily dead end at power lines, railroads or similar rights-of-way shall be constructed for at least one-half (½) the distance across these rights-of-way, or provision shall be made to place the construction cost for said improvements in escrow with the City in accordance with Section 10.03.044, *Development Agreements*.
- iii. When, in the judgment of the Director of Engineering, it is not feasible to construct an internal street or appurtenances at the time of development of the subdivision, the City may require the developer to pay into escrow funds for the future construction of the street or its appurtenances as a condition of Final Plat approval for the development, in accordance with Section 10.03.044, *Development Agreements*.

- (5) Impact Fees. All fees due on the project shall be paid in accordance with the City's Impact Fee Ordinance and/or executed Development Agreement/Facilities Agreement.

(b) **Street Design & Appurtenances.**

- (1) Application of Requirements. Street design requirements are subject to the provisions included in the *Engineering Design Standards*, Development Agreements and Planned Development Ordinance (if applicable to the subject property) as well as the regulations contained within this Subdivision Ordinance.
- (2) Conformity to the Master Thoroughfare Plan. The general location of streets shall conform to the *Master Thoroughfare Plan*. For streets that are not shown on the *Master Thoroughfare Plan*, such as local residential streets, the arrangement of such streets shall:
 - i. Provide for the continuation or appropriate continuation of existing streets or street stubs from or into surrounding areas – refer to street stub requirements outlined in Section 10.03.073(b)(8), *Stub Streets*, and connectivity requirements in Section 10.03.073(b)(9), *Street Connectivity*;
 - ii. Conform to any plan for the neighborhood approved or adopted by the City to address a particular situation where topographical or other conditions make continuance or conformity to existing streets impractical; and
 - iii. Not conflict with existing or proposed streets or driveway openings, including those on the opposite side of an existing or planned thoroughfare, as described within the *Engineering Design Standards*.

- iv. New streets that intersect with divided arterials shall align to the greatest extent possible with opposite streets such that median openings can be shared.
- (3) Relation to Adjoining Street System. The proposed street system shall extend all existing major and minor arterials and such existing collector and local streets as may be necessary for convenience of traffic circulation and emergency ingress and egress.
- (4) Maximum Street Length. No street shall be more than 1,000 feet in length without an intersection with another street which will provide some degree of flexibility in traffic patterns and public convenience.
 - i. See the *Engineering Design Standards* for specific design requirements.
 - ii. In certain circumstances, the City may consider minor exemptions to the maximum street lengths if sought by the applicant. These circumstances include, but are not limited to:
 - a. Rerouting of streets;
 - b. Decreasing the lot count by five percent (5%) or more from the previously approved Preliminary Plat or Final Plat; or
 - c. Approval by the Planning & Zoning Commission through a Subdivision Ordinance Variance. Any variance approved by the Planning & Zoning Commission shall include the curvilinear requirement and street calming methods, described below.
- (5) Curvilinear Requirement. When a residential street length exceeds 500 feet but is less than 1,000 feet in length, the design of the street shall include a curve of between 100 to 200 feet radius for a length equal to the curve radius.
- (6) Additional Street Calming Methods. When a residential street length exceeds 500 feet but is less than 1,000 feet in length, one or more of the following street calming methods shall be incorporated into the design in addition to the curvilinear requirement (above) in order to reduce traffic velocity and increase safety to pedestrians and cyclists, subject to the review and approval of the Director of Engineering:
 - i. Street width narrowing with landscaped islands placed approximately every 400 feet;
 - ii. Roundabouts placed approximately in the center of the street length or near a major entrance to the development; and/or
 - iii. Landscaped medians that include pedestrian crossing oases included for a minimum of one-third ($\frac{1}{3}$) of the street length.
 - iv. Speed humps/bumps are prohibited from being installed in alleys, private aisles, and any fire lanes, unless approved in writing by the Director of Engineering.
- (7) Street Widths & Rights-of-Way. Street widths and related rights-of-way shall be designed in accordance with the following:
 - i. *Master Thoroughfare Plan* (existing, and as amended);
 - ii. Planned Development Ordinance (if applicable to the subject property); and
 - iii. All streets shall be constructed in accordance with the *Engineering Design Standards*.
- (8) Street Names, Street Name Signs, and Traffic Control Signs.
 - i. *Street Names*. New streets shall be named so as to provide naming continuity with existing streets, and so as to prevent conflict or "sound-alike" confusion with similar street names. All street names shall be approved by the Director of Development Services prior to any plat approval, and prior to approval of the construction plans and should comply with the City's approved street name policy, as it exists or may be amended.
 - ii. *Cost of Signs*. The cost of street name signs and traffic control signs shall be paid for and installed by the developer.
 - iii. *City Standards*. All street name signs and traffic control signs shall conform to the City's details for street name sign design and the latest edition of the Texas "Manual of Uniform Traffic

Control Devices" (TMUTCD).

- (9) Traffic Studies. The Director of Engineering may require a Traffic Impact Analysis (TIA) or other type of engineering study from the developer prior to any approval for plats or construction plans to ascertain technical data pertaining to the potential traffic impact of the proposed development on the City's street system. For any study required by the City that is outsourced to a third party, the cost of such study shall be passed through to the developer or applicant.

(10) Stub Streets.

- i. See the *Engineering Design Standards* for all design requirements.
- ii. Future connections are required to adjacent vacant properties at locations as approved by the Director of Development Services and the Director of Engineering.
- iii. When a residential development is constructed in phases requiring a temporary stubbed street, a paved temporary turn-around shall be provided for maneuvering by emergency equipment.
- iv. A note shall be clearly placed on the Final Plat indicating that the stub street will be extended with future development (see requirements for temporary turn-arounds in the *Engineering Design Standards*).
- v. All stub streets shall have barricades that meet TMUTCD standards.
- vi. All stub streets shall have a sign prominently posted at the terminus of the street to indicate no through traffic and that the street will be extended in the future.
 - a. The sign shall comply with standards established by the Director of Engineering, and
 - b. Installation and cost of the signs shall be the responsibility of the developer.

(11) Connectivity.

- i. New residential developments shall provide street connections to adjacent developments, as determined by the Director of Development Services, allowing access between developments for neighborhood traffic and to enhance pedestrian and bicycle connectivity as recommended in the *Comprehensive Plan*.
- ii. Residential developments shall not have direct vehicular access to adjacent commercial or retail developments. Pedestrian and/or bicycle access may be provided, as approved by the Director of Development Services.
- iii. Commercial developments shall provide off-street connections to other businesses through mutual access easements and shared access drives to thoroughfares.

(c) **Street Lighting.**

(1) Street Lighting Required.

- i. Street lighting shall be provided by the developer along all streets and thoroughfares in accordance with the *Engineering Design Standards*. Perimeter sidewalks, site entrances, and other public areas and parking lots shall be adequately illuminated.
- ii. The developer is responsible for the installation of street lighting and they shall be installed to City standards prior to the City accepting responsibility for the future provision of electricity to the street lights.
- iii. The Director of Engineering shall be the responsible official for decisions related to street lighting, and may authorize a minor variance to these regulations, in accordance with Section 10.03.086, *Variances*, for a street lighting requirement if such Variance will not compromise public health, safety, security and convenience.

- (2) New Subdivisions. New subdivisions are required to prepare and submit a street lighting plan. This plan is reviewed by Staff to ensure conformance with current street lighting policies. Financial responsibility for purchase of lighting equipment and construction is the responsibility of the developer. In the City of Celina, power is provided franchise utility companies. Upon completion of

the street light system, the appropriate power server will be the owner and maintenance provider of the street light equipment and the City of Celina will become responsible for the monthly electrical and maintenance expenses.

- (3) Street Lighting Placement. Street lighting shall be chosen and installed according to the *Engineering Design Standards*.

- (4) Subdivisions with Existing Street Lighting.

- i. Residents or a Home Owners Association (HOA) of a subdivision with existing street lighting may request additional light or lights by completing a petition and request for additional street lighting form. The petition must be signed by adjacent property owners of each proposed light location and by at least eighty percent (80%) of the overall property owners within 300 feet in each direction of the proposed light location.
- ii. Upon receipt of the petition and request form, City Staff will contact the appropriate power provider to prepare an estimate of the cost to install the requested lighting. Additionally, the provider will be requested to provide information about necessary easements for light pole and other facilities required for installation.
- iii. The HOA or residents requesting the additional street light shall be responsible for obtaining all required signatures for easements and shall be financially responsible for all costs to purchase and install additional lighting.
- iv. Upon receipt of executed easement documents and deposit of funds with the City based on the installation estimate, the City will issue a request to the electric provider for installation.
- v. Following installation and acceptance of the lighting facilities, the City will pay for all future electrical charges, repair and maintenance.

- (5) Subdivisions without Existing Street Lighting.

- i. Residents of subdivisions without existing street lighting or infrastructure required to support street lighting should submit a petition for street lighting form to the Department of Development Services (form available online).
- ii. Upon receipt of the petition, City Staff will contact the appropriate power provider to prepare an estimate of the cost to install the requested lighting. Additionally, the provider will be requested to provide information about necessary easements for light pole and other facilities required for installation.
- iii. The petition and request form will be presented to the City Council during the budgeting process. At this time Council will determine if the City will participate in the funding to complete the lighting request or establish assessments to the property owners for the cost to construct the requested lighting system.

(d) **Private Streets.**

- (1) Private Streets. Private streets within the City and/or the ETJ may be allowed in accordance with the Zoning Ordinance. Private streets shall be designed and constructed to the same standards as for public streets, in accordance with the *Engineering Design Standards*.
- (2) City Council Action Required. Dedicated streets and rights-of-way shall not be designated or used as private streets and such use is prohibited, except where specific approval is given by action of the City Council for properties within the City's extraterritorial jurisdiction and upon approval of a Specific Use Permit for properties within the City limits. The City Council may add any conditions as deemed appropriate as part of the approval of a Private Street Development.
- (3) Private Street Development.
 - i. Private Street Developments are subject to provisions of the Master Thoroughfare Plan and the Subdivision Ordinance, as it exists or may be amended. Private Street Developments shall only be permitted by the approval of a Specific Use Permit or through a Planned Development

- District. Private Street Developments shall be restricted to an area that is surrounded on at least three (3) sides, and in any event no less than approximately seventy-five percent (75%) of the perimeter, by natural barriers or similar physical barriers created by man. Examples of natural barriers would be creeks and floodplains. Examples of similar barriers created by man would be a golf course, school location, park, railroad tracks or a limited access roadway. Non-qualifying man-made barriers include screening walls, local roadways, man-made drainage ditches, detention ponds, landscape easements, earthen berms, utility easements and rights-of-way. Private Street Developments may not cross an existing or proposed thoroughfare as shown on the City's adopted *Master Thoroughfare Plan* nor shall a private street development disrupt an existing or proposed hike & bike route.
- ii. Private Street HOA Fund. A developer requesting private streets must show that adequate funds will be set aside and held in reserve for private street maintenance and replacement costs by the associated Homeowners Association (HOA).
- (4) Connectivity. The *Comprehensive Plan* calls for all plans for development in the City to include a high degree of connectivity within developments and between one development and another. Any proposed Private Street Development adjacent to an existing public street subdivision that can be reasonably connected, including by constructing a bridge or culvert, for example, should not be approved as a Private Street Development. The two adjacent subdivisions should allow cross-connectivity using public streets. This is especially important when one of the two adjacent subdivisions has a school site within the development that will be accessed by both developments.
- (5) Criteria for Approval for Private Streets in New Developments. Private Street Developments within the City may be considered through the Specific Use Permit (SUP) process or through a Planned Development District. The Planning & Zoning Commission and City Council shall use any of the following criteria:
- i. Non-disruption of planned public roadways or facilities/projects (thoroughfares, parks, park trails, public pedestrian pathways, etc.);
 - ii. Non-disruption to and from properties of future developments either on-site or off-site to the proposed subdivision;
 - iii. No negative effect on traffic circulation on nearby public streets;
 - iv. Not less than one hundred (100) feet of street frontage on which to locate the main entrance gate;
 - v. No more than two (2) gated street entrances, subject to approval by the Director of Engineering, may face the same thoroughfare;
 - vi. No impairment of access to and from public facilities including schools or public parks;
 - vii. No impairment of the adequate and timely provision of essential municipal services (emergency services, water/sewer improvements or maintenance, etc.);
 - viii. The main entrance to the private street development shall have adequate throat depth to provide for residents, their guests and any accidental access and have an escape aisle for those vehicles not admitted into the subdivision,
 - ix. Existence of natural and/or qualifying man-made boundaries around seventy-five percent (75%) of the development; and/or
 - x. Absence of a concentration of Private Street Developments in the vicinity of the requested Private Street Development.
- (6) Conversion of Public Streets to Private Streets. The criteria for converting existing public streets to private streets includes all the criteria, issues and procedures involved with new developments, listed above, plus:
- i. Submittal of a petition signed by one hundred percent (100%) of the owners in the existing

- subdivision requesting conversion to private streets;
 - ii. Existence of a property owners' association that would be responsible for owning and maintaining the converted streets and rights-of-way;
 - iii. Applicants must agree to contract with the City for the purchase of the installed infrastructure and rights-of-way from the City of Celina at fair market appraised value for cash in full payment, and agree to maintain the infrastructure and rights-of-way at City standards thereafter prior to the approval of the Specific Use Permit;
 - iv. All documents are subject to the review and approval of the City Attorney; and/or
 - v. Subsequent to the approval of the Private Street designation, the entire subdivision affected shall be re-platted to reflect the right-of-way ownership changes.
- (7) Conversion of Private Streets to Public Streets. The City may, but is in no way obligated to, accept private streets for public access and maintenance. Requests to convert private streets to public streets shall be subject to all of the following provisions:
- i. The homeowners' association (HOA) shall submit a petition signed by at least sixty-seven percent (67%) of its members/lot owners (or a greater number of signatures, if required by the HOA documents or declarations).
 - ii. All of the infrastructure shall be in a condition that is acceptable to the Director of Engineering.
 - iii. All security stations and other structures not consistent with a public street development shall be removed by the HOA, at its cost, prior to acceptance of the streets and appurtenances by the City.
 - iv. All monies in the reserve fund for private street maintenance shall be delivered to the City. Money in the reserve fund in excess of what is needed to bring the streets and appurtenances up to City standards will be refunded to the HOA. Private Street developments that exist as of the adoption of this ordinance are not required to deliver a reserve fund balance to the City.
 - v. The HOA shall prepare and submit a replat to Development Services for review. Upon approval, the HOA shall file the replat to dedicate the streets and appurtenances to the City.
 - vi. The HOA shall modify and re-file, at its cost, the HOA documents to remove requirements specific to Private Street developments. The City Attorney shall review the modified HOA documents prior to their filing. The HOA shall be responsible for the cost of review by the City Attorney.
- (7) HOA Requirements. Private Street developments and the related HOA shall meet all requirements of Section 10.03.079, *HOA Requirements*, of this Ordinance.
- (e) **Alleys.**
- (1) When Alleys are Optional. Alleys are optional for all single-family residential lots that are equal to or greater than sixty (60) feet in width at the front building line.
 - (2) When Alleys are Required. Alleys are required for single-family residential lots that are less than sixty (60) feet in width at the front building line. When so utilized, alleys shall be constructed according to design criteria in the *Engineering Design Standards*.
 - (3) Alleys Required for Single-Family Attached Residences. Alleys are required for all duplex (two-family residences) and townhomes.
 - (4) Alley Design. Permanent dead end and "hammerhead" alleys are prohibited. All alleys shall have adequate turnouts and street entrances such that vehicular traffic flow is continuous and efficient. Where a temporary dead end alley situation is unavoidable (such as due to project phasing), a temporary, paved turn-around bulb or turnout onto a street, either of which will require a temporary alley easement, shall be shown on the plat.

- (5) Street Access when Alleys are Present. No driveway shall access a street when an alley is available unless specifically allowed in writing by the Director of Engineering.

(f) **Mews Streets.**

- (1) Definition. A mews street is a grassy, landscaped area on which houses or housing units may face in lieu of facing a paved street.
- (2) Minimum Width of Mews. The common area of the mews shall be a minimum of forty (40) feet in width.
- (3) Fire & Emergency Access. Since fire and other emergency vehicles must access the homes from the alley, the alley shall be a minimum of twenty-four (24) feet in width within a thirty (30) foot right-of-way.
 - i. The mews alley shall be striped as a fire lane.
 - ii. Fire hydrants shall be placed in the alley and spaced as they would on any similar residential street.
 - iii. No parking is allowed within the fire lane.
 - iv. A rear door to the home shall be provided that is a minimum of thirty-six (36) inches wide and is not through the garage. This door shall have a doorbell or means to alert the occupant.
- (4) Maximum Mews Length. The maximum mews length is 500 feet. Minor modifications may be considered by the Fire Department and Director of Engineering.
- (5) Garage Set-Back. Garages shall be set back either a minimum of twenty (20) feet to allow tandem parking or a maximum of three (3) feet where no parking, tandem or parallel, is allowed.
- (6) Trash Receptacles. Trash receptacles shall be placed on a concrete pad that is outside the limits of the fire lane.
- (7) Parking. Additional parking for visitors and delivery trucks shall be provided at the terminus of the mews street.
- (8) Vehicle Access. Dead-ended mews streets and alleys are prohibited.
- (9) Sidewalks. Sidewalks within the mews street shall be a minimum of six (6) feet in width if located at or near the center of the mews or a minimum of five (5) feet if two sidewalks are provided on each side of the mews.
- (10) Side Yards. No side yard shall be paved.
- (11) Signage. Wayfinding signs that include address numbers shall be provided at the end of the mews to direct pedestrians to the houses facing the mews.
- (12) Addressing. Individual house or unit addressing shall be provided at the entrance to the mews, with an additional street number and street name sign on each house or unit's rear and side façade. Addresses shall be posted on the building prominently. Both wayfaring signs and individual house numbers shall be illuminated for nighttime viewing. All such signage is subject to the discretionary review and approval by the Fire Department.

Sec. 10.03.074SIDEWALKS & TRAIL STANDARDS.

Sidewalks are required adjacent to all public streets, shall be provided according to the regulations in the *Engineering Design Standards*, and shall stub out to the adjacent property. No meter valves or drainage inlets may encroach into sidewalks. Bicycle and pedestrian trails shall be a minimum of twelve (12) feet in width and be constructed of an improved surface. Any portion of a sidewalk or trail located on private property shall be shown on the filed plat. Trails and sidewalks shall comply with any City adopted Parks or Trail Plans. Sidewalks perpendicular to and in front of head-in parking shall be a minimum six (6) feet in width to accommodate the over-hang of vehicles. Sidewalks in front of buildings shall be a minimum 10' in width. Any trails near a cul-de-sac or other sidewalk shall provide a connection, including any barrier-free-ramp that may be needed. See also Section 10.03.084, *Hike & Bike Trail Requirements*.

Sec. 10.03.075DRIVEWAYS, FIRE LANES, RETAINING WALLS, & ACCESS.

- (a) **Driveways, Generally.** All driveway approaches, curbs, gutters, pavements and appurtenances necessary to provide access to properties shall be provided by the developer, shall be designed, constructed and maintained in accordance with standards in the City's *Engineering Design Standards*, *Zoning Ordinance*, and *Planned Development Ordinance* (if applicable to the subject property).
- (b) **Driveways, Residential.**
 - (1) Residential driveway widths and curb cuts shall not be wider than the combined width of the garage door or doors, or the edge of house on driveway past the garage door. In certain large lot cases, additional pad sites may be allowed for vehicle parking, at the discretion of the Director.
 - (2) Residential tracts smaller than ¼ acre in size may have only one drive per lot.
- (c) **Fire Lanes.** Fire lanes are to be designed in accordance with the City's adopted Fire Code and *Engineering Design Standards*. Fire lane easements shall be shown on the Site Plan (see the *Zoning Ordinance*) and on any Conveyance Plat, Preliminary Plat, or Final Plat, and shall be maintained to the City's standards by the property owner. For safety and emergency accessibility reasons during construction, developments other than single-family detached or two-family residential subdivisions shall not be allowed to proceed with vertical structural construction above the foundation prior to:
 - (1) Completion and City inspection of all fire lanes and fire hydrants on the site (unless otherwise approved by the Fire Chief); and
 - (2) Issuance of a Building Permit for the structure.
- (d) **Retaining Walls.** Any retaining wall over four (4) feet in height requires engineered plans. Contractors shall incorporate a form liner or add a brick or stone façade. Plain concrete retaining walls are prohibited.
- (e) **Access Easements.** Access easements shall be provided as directed by the Director of Engineering and Director of Development Services. For safety, emergency response purposes, and increased connectivity, cross access between adjacent non-residential parcels is required. Properties that abut an undeveloped tract shall provide a paved stub-out for future connections.

Sec. 10.03.076LANDSCAPING & SCREENING ADJACENT TO ROADWAYS.

- (a) **Median Landscaping Improvements Required.** Landscaping improvements shall be installed within the medians of all proposed or planned or divided roadways within the city limits as shown on the City Master Thoroughfare Plan. Frontage is wherever a property abuts the right-of-way of the divided thoroughfare, and separate frontages exist on each side of the thoroughfare.
 - (1) Developer obligation. The subdivider or developer shall be fully responsible for the construction and installation of the required landscaping and maintenance of the improvements for a period of one year. During the first year following installation, the subdivider or developer shall replace any tree, shrub, sod, groundcover or hardscape in substandard condition. Following the first year, the Director of Engineering shall inspect the installation and determine what, if any, plant materials and/or hardscape must be replaced prior to the city taking over maintenance.
 - (2) Installation or deferment. In the event that the Director of Engineering, in his sole discretion, determines that the installation of improvements at any given time period is impractical due to further road construction or other factors, the subdivider or developer shall pay a fee-in-lieu into an escrow account for future median landscaping and/or maintenance. This fee-in-lieu of installation is collected once from each frontage and described more fully in Section 10.03.075(d).
 - (3) City participation. At the discretion of the Director of Engineering, the subdivider may install the median landscaping across the full width of the median, and be reimbursed by the City for the

landscaping provided for the second frontage at the per linear foot of frontage rate or the actual cost of the improvements, whichever is less, if funds are available.

- (4) Plan design burden/escrowed cost. In the case where undeveloped land exists on both sides of a divided public street, the first to develop shall carry the burden of submitting plans for landscaping, hardscape and irrigation of the median, along with escrowing the fee-in-lieu, as described in Section 10.03.075(d). At the discretion of the Director of Engineering, the city or county may contribute to this escrow account in order to facilitate the implementation of the landscape plan.
- (5) Installation burden. If the City declines to participate in the immediate landscaping of the median in question, the second to develop will utilize the approved plans (or modify the approved plans with City approval of the modifications) and shall be responsible for the purchase and installation of the median improvements, using the escrowed account from the first developer and shall contribute an equal amount to the overall cost of the median landscaping. In the event that the original escrow amount has fallen short of current material and/or installation costs, the City will make up the difference in cost or the plans shall be modified to be installed within the cost allotted. Any surplus funds shall be placed in the City's landscape maintenance account.
- (6) Design. The median design shall be approved by the Director of Engineering and the City may elect to create the design for the landscaped median in house.

(b) **Minimum Requirements for Median Landscaping.**

- (1) Only developments or subdivisions abutting or adjacent to a divided roadway, as defined in the Master Thoroughfare Plan, shall be subject to this section.
- (2) All trees and plant materials shall be chosen from the City's approved plant list;
- (3) One small ornamental tree per forty (40) linear feet of median. Ornamental trees shall be a minimum two-inch (2") caliper and eight feet (8') in height at time of planting and shall be used primarily as accent trees near the median nose and dispersed within the canopy trees;
- (4) One large canopy tree per forty (40) linear feet of median, with a minimum of four-inch (4") caliper trunk, and a well-formed canopy that is typical of the species. Canopy trees shall be planted no closer than thirty (30) feet from streetlights located in the median, no closer than twenty (20) feet to an intersection, and no closer than fifteen (15) feet from any overhead electrical line;
- (5) Ornamental and canopy trees need not be evenly spaced and may be clustered for a more pleasing aesthetic effect, so long as shade is provided to all pedestrian areas;
- (6) A minimum of twenty percent (20%) of the landscaped area shall be planted in evergreen shrubs, ground cover and/or native grasses;
- (7) Planting beds shall be separated from turf grass using 14-gauge steel edging to define ground cover beds and reduce weed incursion;
- (8) Irrigation installation shall include bubblers or drip irrigation for all canopy and ornamental trees and irrigation to uniformly water the planting beds and shall be equipped with rain-freeze sensors; and
- (9) Landscape and installation plans shall be subject to review and approval by the Director of Development Services and the Director of Engineering. The location and placement of landscaping shall conform to the City street design standards and shall be placed to accommodate the ultimate number of traffic lanes, although shrubs, native grasses and ornamental trees may be placed in future traffic lanes if it is determined that these lanes will likely not be constructed in less than ten (10) years.

- (c) **Roadway Landscape Easements or Buffers.** Roadway landscape easements/buffers are defined as open, landscaped areas between the property line (right-of-way) and any built structure (vertical or horizontal) on a lot. The roadway parkway is the portion of right-of-way that is typically sodded and kept clear of

trees or deep-rooted shrubs since this is often the location of underground or above-ground infrastructure, such as water and sewer lines and electrical wiring, respectively. In some cases, underground utilities will be placed entirely or in part within the landscape easement/buffer and therefore this easement/buffer shall be shown on the associated plat. The following easement standards apply unless a more stringent standard applies due to the lot being located in an overlay district.

- (1) Minimum width of landscape easements along roadways.
 - i. Adjacent to all six-lane divided streets and limited access roadway service roads, as shown on the Thoroughfare Plan, the landscape easement shall be a minimum forty (40) feet wide.
 - ii. Adjacent to all four-lane divided streets, as shown on the Thoroughfare Plan, the landscape easement shall be a minimum of thirty (30) feet wide.
 - iii. Adjacent to all other streets called out on the Thoroughfare Plan, the landscape easement shall be a minimum twenty (20) feet wide.
 - iv. Adjacent to residential streets and other streets not called out on the Thoroughfare Plan, the landscape easement shall be a minimum of ten (10) feet wide.
- (2) Setbacks. The following setbacks apply based on zoning district adjacency:
 - i. Adjacent to single-family district (either attached or detached districts).
 - a. Any non-residential building that is one (1) or two (2) stories in height shall be setback from the single-family district property line a minimum of forty (40) feet.
 - b. Any non-residential building that is three (3) stories in height shall be setback from the single-family district property line a minimum of sixty (60) feet.
 - c. Any non-residential building that is four (4) stories in height or greater shall be setback from the single-family district property line a minimum of ~~eighty (80)~~ one hundred (100) feet.
 - d. Parking and/or drive aisles may be located within these setbacks.
 - ii. Adjacent to any district other than single-family district. When a non-residential building is adjacent to a similar land use, the setbacks shall be the minimum allowed by the adopted Building Codes and Fire Codes.
- (3) Intent & application of the Ordinance. When circumstances exist that may restrict the ability of an applicant to comply with the precise minimum widths referenced above, the Director may allow some flexibility so long as the overall intent of the ordinance is met.
- (4) Landscaping & screening within easements or buffers. Street trees, native grasses, sod, and shrubs may be planted within the landscape easement, avoiding conflicts with any utility service, as shown on the approved site plan or concept plan.
- (5) Signs located within easements or buffers. Any applicant who places a monument sign within a landscape easement that may also be the location of underground or above ground infrastructure shall be required to allow the City and/or utility company access the facilities located beneath or above the monument sign and must sign an agreement authorizing the City and/or utility company to carry out needed repairs or replacement with no obligation to rebuild or compensate the owner/applicant for the removal, repair, or loss of the sign.

(d) **Minimum Requirements for Landscaping within Roadway Landscape Easements.**

- (1) Landscape easements shall be made up of an attractive mix of sod, native grasses, berms, and trees between the right-of-way and the screening wall.
- (2) All trees and plant materials shall be chosen from the City's approved plant list.
- (3) One large, canopy tree per forty (40) linear feet of street frontage, with a minimum of three-inch (3") caliper trunk, and a well-formed canopy that is typical of the species. ~~Canopy trees shall be planted no closer than thirty (30) feet from streetlights.~~

- (4) One small, ornamental tree per forty (40) linear feet of street frontage. Ornamental trees shall be a minimum two-inch (2") caliper and eight feet (8') in height at time of planting and shall be used primarily as accent trees dispersed within the canopy trees.
- (5) Ornamental and canopy trees need not be evenly spaced and may be clustered for a more pleasing aesthetic effect within the landscape easement or buffer.
- (6) A minimum of twenty percent (20%) of the landscaped area shall be planted in evergreen shrubs, ground cover, and/or native grasses. Along all vehicular use areas shall be a continuous row of evergreen shrubs.
- (7) Planting beds shall be separated from turf grass using 14-gauge steel edging to define ground cover beds and reduce weed incursion.
- (8) Irrigation installation shall include bubblers or drip irrigation for all canopy and ornamental trees and irrigation to uniformly disperse water over the planting beds and shall be equipped with rain-freeze sensors.
- (9) No drainage retention or detention for the property shall be placed in the landscape easement.
- (10) Landscape and installation plans shall be subject to review and approval by the Director of Development Services and the Director of Engineering. The location and placement of landscaping shall conform to the City street design standards and shall be placed to accommodate the ultimate number of traffic lanes, although shrubs, native grasses and ornamental trees may be placed in future traffic lanes if it is determined that these lanes will likely not be constructed in less than ten (10) years.

(10)(11) At corner intersections, a Subdivision Entrance sign is required for branding.

- (e) **Fee-in-Lieu.** Should the Director of Engineering, at his sole discretion, determine that the immediate installation of median or roadway easement landscaping is impractical; a fee-in-lieu of installation shall be collected and placed in escrow at the rate listed in the current Fee Schedule. The fee-in-lieu shall be collected prior to plat filing. Said fees-in-lieu of installation shall be applied to construction, reconstruction, upgrading, and installation of median landscaping of divided roadways within the adjacent median landscape areas and any roadway easement or landscape buffers.
- (f) **Refund of Fees.** Any fees not expended within ten (10) years of collection shall be returned to the developer or subdivider who deposited the fees with the City. The time period for the expenditure of fees escrowed with the City for the construction of median landscaping shall not begin to run until such time as the roadway medians have been constructed on such divided roadways, the roadway medians have been accepted by the City, and the roadway medians are ready for standard median landscaping and irrigation. Notwithstanding the provisions of this subsection, the City shall not be required to return fees that have not been expended if roadway medians have not been constructed on divided roadways within the adjacent roadway benefit area thus preventing the purchasing, planting, growing and/or irrigation of the required standard median landscaping and irrigation. (Ordinance 2015-78 adopted 12/7/15)
- (g) **Screening Requirements.**
 - (1) Screening adjacent to roadways.
 - i. Non-residential (both commercial and multiple family) Single Family residential land uses adjacent to roadways shall install —Aa solid masonry screening wall that is required, a minimum six (6) foot high and maximum eight (8) foot, when used to screen the use from any roadway.
 - ii. Maintenance easement. A three (3) foot wide maintenance easement shall be provided on any boundary line where a required screening wall or devise may be installed currently or in the future, to allow access for repairs or replacement.
 - iii. Residential fences adjacent to streets/roadways. All wood residential fences that face a street must be minimum of six (6) feet in height and constructed of cedar board-on-board with a

decorative cap and support poles facing the inside of the lot. Residential fences that only face the interior of the lot are not required to be board-on-board construction.

iv. Conflict of fences. No parallel, adjacent fencing is allowed. When a non-residential use is proposed adjacent to an existing residential wooden fence, the wooden fence shall be removed and the masonry screening wall becomes the mutual boundary line between the properties.

iv-v. The Neighborhood Vision Book allows for additional options such as decorative metal fencing (with masonry columns and associated landscaping) in lieu of the masonry wall along open spaces, floodplains, cul-de-sacs, and U-shaped streets.

(2) Screening between land uses.

i. Non-residential and multiple-family uses adjacent to single family detached zoning districts or uses.

a. A solid masonry screening wall is required, minimum eight (8) feet in height, along the property line.

b. In some cases, at the Director's discretion, a decorative iron or wrought iron screening walls may be allowed in lieu of a solid masonry screening wall. This decorative iron or wrought iron screening shall have regularly spaced masonry columns ~~to be spaced no greater than thirty (30) feet on center~~, along with medium-sized evergreen plants that will grow to a minimum height of six (6) feet within two (2) years of planting.

c. In some cases, at the Director's discretion, enhanced wooden fences constructed of cedar board-on-board with a decorative cap, and support poles facing the inside of the lot may be allowed.

d. In some cases due to topography or other natural land features, at the Director's discretion, industrial quality metal fencing or welded wire fence panels may be allowed, such as *DesignMaster*® fencing products.

ii. Non-residential uses adjacent to other similar non-residential zoning districts or uses. No screening wall is required.

iii. Uniformity. Each development shall have a uniform screening wall in terms of materials and height, subject to approval by the Director during the site plan process.

iv. Maintenance easement. A three (3) foot wide maintenance easement shall be provided on any boundary line where a required screening wall or devise may be installed currently or in the future, to allow access for repairs or replacement.

(3) Site elements required to be screened. The following site elements shall be screened from the public view:

i. Mechanical & utility equipment.

a. Ground located equipment. A solid masonry "wing" wall of sufficient height to effectively screen the equipment.

b. Roof-mounted equipment. Roof-mounted equipment shall be screened from view from the adjacent right-of-way. Appropriate screening includes wall extensions, such as a parapet wall.

ii. Utility Substations & Tower Facilities. For electric substations, sewer pump stations, communication towers, generator plants, or any other free-standing utility facility, the above ground mechanical equipment shall be screened to mitigate its negative visual impact and safely secure the site. The screening device shall be scaled accordingly to the height, size, scope, and area of the proposed facility, subject to discretionary review and approval by the Director. Generally, masonry screening walls are required with decorative metal in limited application for visibility, ventilation, and access points. Larger facilities shall also provide large evergreen screening trees every twenty (20) feet on center. Concrete vehicle access shall be provided, in

addition to associated easements necessary for development. Any associated utility lines shall be buried, with the exception of regional transmission lines.

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~~ii.iii.~~ Trash & recycling enclosures. Screening enclosures shall consist of a solid masonry wall or architectural element of the building that is a minimum six (6) feet in height with a solid metal gate (primed and painted) that is to remain closed at all times other than servicing.

~~a. Double trash & recycling enclosures shall be a minimum of twenty five (25) by fourteen (14) feet in size.~~

~~b.a.~~ Single trash & recycling enclosures shall be a minimum of twelve (12) by fourteen (14) feet in size.

~~c.b.~~ The number of enclosures required for each development shall be determined by staff.

(4) Screening adjacent to open space, creeks, or other view corridors. Notwithstanding the obligation of a developer to construct a solid masonry screening wall surrounding the property, when portions of that property are adjacent to a dedicated open space, natural land feature such as a creek, or other notable views such as a golf course, the screening shall be decorative iron with regularly spaced masonry columns ~~to be spaced no greater than thirty (30) feet on center~~ or industrial quality metal fencing or welded wire fence panels, such as DesignMaster® fencing products, with Director approval.

(5) Prohibited screening elements. No screening wall visible from a public street shall be:

- i. Screening walls shall not be located within any required visibility triangle;
- ii. Screening walls shall not be constructed with any of the following materials: Surface painted or coated concrete, chain-link, concertina wire, barbed wire, corrugated metal, or fiberglass panels.
- iii. In no case shall a screening wall be placed parallel and in the immediate vicinity of an existing residential fence causing a close back-to-back fence arrangement. When a residential fence exists at the time of commercial development, the required masonry screening wall shall replace the residential fence, with access easements provided for maintenance to be shown on the associated plat.

Sec. 10.03.077LOT AND BLOCK DESIGN.

- (a) **Zoning Compliance.** All lots shall conform to the zoning district requirements, unless located in the ETJ in which they shall comply with any interlocal agreements between the City and Denton or Collin County.
- (b) **Residential Lots Adjacent to Drainage Areas.** Lots shall be exclusive of any portion of a natural drainage area (i.e., major creek, stream, tributary, etc.), maintenance access, and/or erosion hazard setback, as defined in Section 10.03.102, *Definitions*. Retaining walls may be allowed on lots adjacent to natural drainage areas, as approved by the Director of Engineering.
- (c) **Lot Shape.** The City reserves the right to disapprove any lot which, in its opinion, will not be suitable or desirable for the purpose intended, or which is so oddly shaped as to create a hindrance to the logical lot layout of surrounding properties and/or create an irregular building envelope. The following requirements shall also apply:
 - (1) Lots shall be generally rectangular in shape; sharp angles between lot lines shall be avoided.
 - (2) Flag lots are prohibited (See Diagram 10.03.113).
 - (3) Irregularly shaped lots shall have sufficient width at the building line to meet minimum lot width and frontage requirements for the appropriate zoning district (if applicable), and shall provide the minimum building pad required by zoning without encroachment into front, side or rear yard setbacks or into any type of easement.
- (d) **Lot Lines and Legal Buildable Lots.**

- (1) Side Lot Lines. Side lot lines shall be generally perpendicular to street right-of-way lines to the greatest extent possible (side lot lines may vary from 80° to 100° angles from the street frontage - see Diagrams 10.03.115 and 10.03.116). The Director of Development Services may grant a minor modification if unusual circumstances exist on the subject property or on adjacent property that make it difficult to comply with this requirement.
 - (2) Lot Lines and Jurisdictional Boundaries. All lot lines, to the greatest extent possible, shall align along county, school district, and other jurisdictional boundary lines such that lots are fully within one county, school district, or other jurisdiction. The Director of Development Services may grant a minor modification to this requirement if a county, school district, or other jurisdictional boundary line will bisect a lot, provided that the entire residential dwelling or main structure is constructed entirely within one county, school district, or other jurisdiction (i.e., the structure does not "straddle" school district or jurisdictional boundary line even though the lot line may straddle the jurisdictional line).
 - (3) Legal Buildable Lots. Any portion of a lot that is non-buildable for any reason shall be clearly shown as such on the Preliminary and Final Plats. A typical detail shall be submitted along with the Preliminary and Final Plats, and shall verify that the buildable portion of such a lot can accommodate a dwelling or main structure that complies with applicable City zoning regulations (if located within the City limits) and building codes (if located either within the City limits or the ETJ).
- (e) **Lot Orientation Restrictions.** Major and Minor Arterials.
- (1) No single-family, two-family, or townhome lots shall front onto or have a driveway onto Major or Minor Arterials or any street with a right-of-way of sixty (60) feet or greater, as described within the *Engineering Design Standards*, unless the house was existing prior to the roadway being designated as such on the City's *Master Thoroughfare Plan*.
 - (2) No residential lots shall face a Collector or higher designation street.
- (f) **Lot Frontages.**
- (1) Street Frontage.
 - i. Adequate Frontage. Each lot shall have access to a street (or an approved public way) by having frontage on such a street that is not less than fifty (50) feet at the street right-of-way line, or as otherwise specified in the *Zoning Ordinance* or a Planned Development (PD) Ordinance, if applicable. Lots fronting onto an eyebrow or bulb portion of a cul-de-sac shall also have a minimum frontage of forty (40) feet at the building setback line, unless approved by the Director of Engineering.
 - ii. Frontage Exception. For non-residential developments ten (10) acres or greater, the lots may be platted to a private street or access easement instead of a dedicated street.
 - (2) Double Frontage.
 - i. Single-Family, Two-Family and Townhome Lots. Double frontage lots are prohibited, except that single-family, two-family or townhome lots may back or side onto a Collector street or larger thoroughfare, as described within the *Engineering Design Standards*, with appropriate screening. Where lots back or side onto a Collector street or larger thoroughfare, no driveway access is allowed onto the thoroughfare from the rear or side of the lot.
 - ii. Establishment of Building Lines. Where any lot has frontage on more than one (1) street, a front building line shall be established for each street, regardless of orientation of the structure.
 - (3) Lots Facing Other Lots. Whenever feasible, each residential lot shall face the front of a similar lot, or shall face or side onto a park or open space if one exists or is planned (see Section 10.03.081, *Applicability and General Requirements*). In general, an arrangement placing adjacent lots at right

angles to each other should be avoided. The Director of Development Services may grant a Minor Variance, in accordance with Section 10.03.086, *Variances*, if unusual circumstances exist on the subject property or on adjacent property that make it difficult to comply with this requirement.

- (g) **Lots in Relation to Parks/Open Space/Creeks.** All lots that are located directly across a street from a park/open space shall face or side onto the park/open space, where feasible. For lots or streets adjacent to floodplain or creeks, a minimum of 100' or 10% of street length, whichever is greater, shall be single loaded with houses facing the floodplain or creek.
- (h) **Large Lots and Tracts.** If the lots or tracts of land in a proposed development are large enough to suggest possible further subdivision in the future, or if portions of the property are not subdivided or developed immediately, then the Preliminary Plat shall show how such large tracts or remainder portions of the property can be subdivided into conforming lots at a later time, and shall also show how streets can be extended and how median openings can be aligned and shared in the future.
- (i) **Lot and Block Numbering.**
 - (1) All lots within each phase of a development are to be numbered consecutively within each block. Each block shall have an alphabetical designation (e.g., "Block A, B, C" etc.). Each lot shall have a numeric designation (e.g. Lot 1, 2, 3, etc.).
 - (2) Different phases shall begin with different block numbers – in other words, a single block may not straddle more than one construction phase.
 - (3) Subsequent replat numbering shall be indicated with an "R" suffix for the first revision (e.g. from Lot 3 to Lot 3R) and any additional replatting changes to the lot shall be indicated with a numeric suffix following the "R" designation (e.g. Lot 3R-1) and continue numerically as changes occur (Lot 3R-2, Lot 3R-3, etc.).
 - ~~(3)~~(4) All dwelling units shall be located on an individually platted lot with its own Lot number.
- (j) **Building Setback Lines.** Building setback lines shall be shown only on residential Preliminary and Final Plats within Celina's ETJ. Building setback lines need not be shown on any plats for commercial development.
- (k) **Addressing.** The Director of Development Services, in conjunction with the Geographic Information Systems department, shall assign addresses that are in compliance with standards established by the U.S. Postal Service.
- (l) **Other Block Requirements.** See the *Engineering Design Standards*.

Sec. 10.03.078 OTHER SUBDIVISION REGULATIONS.

(a) Easements.

- (1) **Easements Shown on Plats.** The type, size, and location of easements shall be determined by the Director of Engineering. All existing and proposed easements shall be shown on the Preliminary, Final Plats, and Replats. All easements shall be labeled on the plat and dedicated for the specific purpose intended (e.g., "City Utility Easement," "City Drainage Easement," "CoServ Electric Easement," etc.).
- (2) **Off-Site Easements.** Off-site easements that are necessary to fulfill City requirements or are required by the City shall be dedicated to the City by the Conveyance Plat or Final Plat and shall be approved as to size and location by the Director of Engineering. In certain circumstances, a separate instrument may be accepted to dedicate required off-site easements, if approved by the Director of Engineering. If the abutting property is already platted, then a Replat of that property shall be required to establish the new off-site easement.

- (3) Maintenance Easements. When a retaining wall is proposed for construction, the associated plat must show a minimum three (3) foot maintenance easement on both sides of the proposed wall.

(b) **Reservations.**

- (1) Permitted Uses. No land contained in the proposed subdivision shall be reserved for any use other than a use permitted by the Zoning Ordinance for the district in which the land to be reserved is located or for future roadways as shown on the *Master Thoroughfare Plan*.
- (2) Designation on Plat. The specific use for which each parcel of land is to be reserved must be shown on the plat by an appropriate label or description. Provision for abandonment of a reservation in the future as may be appropriate must likewise be shown on said plat.
- (3) Parks and Open Space. The location and size of parks and open space areas shall be in conformance with this Article 10.03.080, *Parks & Open Space*, and the *Zoning Ordinance*. All areas retained as floodway shall be reserved for public use, unless other provisions are approved by the City Council.
- (4) Schools. The location and size of school sites shall be in conformance with the *Comprehensive Plan* and the recommendations of the applicable school district.
- (5) Public Facilities. The location and size of sites for public buildings, major utility facilities, and related community facilities shall be in conformance with the *Comprehensive Plan* and the recommendations of the Director of Development Services.

(c) **Monuments & Markers.**

- (1) General Placement. Monuments consisting of a minimum three-eighths (3/8) inch diameter steel rods, at least twenty-four (24) inches in length shall be placed at all:
 - i. Lot and block corners (wherever a lot line bearing changes);
 - ii. Intersection points of alley and block lines; and
 - iii. Curve and tangent points along block, lot, and right-of-way lines within the subdivision.
- (2) Subdivision Monumentation. At least two (2) property corners shall be marked with monuments of three (3) dimensional coordinates established from the City's *Engineering Design Standards*. The corners so marked should be at opposing ends of the property unless otherwise approved by the Director of Engineering.

- (d) **Subdivision Names**. New subdivisions shall be named so as to prevent conflict or "sound-alike" confusion with the names of other subdivisions. Subdivisions with similar names (e.g., Preston Lakes and Preston Hills) shall be located in proximity to each other, not in different areas of the City. Subdivision names shall be reviewed and approved by the Director of Development Services to ensure that the proposed subdivision name will not cause confusion or misdirection, especially for emergency responders.

(e) **Franchise Utility Policy.**

- (1) General Requirements. The Director of Engineering may require easements for poles, wires, conduits, gas, telephone, cable TV, internet, or other utility lines if necessary or advisable in the opinion of the Director of Engineering.
- (2) Locations. Utility easements may be located as follows:
 - i. Utilities shall be located in the alley rights-of-way along the rear property lines of lots or tracts whenever an alley is provided.
 - ii. Utilities shall be located in easements adjacent to the street rights-of-way along the front of lots or tracts whenever an alley is not provided. Utility easements shall be a minimum width of seven and a half feet (7½') unless specifically reduced by the Director of Engineering.
- (3) Ground-Mounted Equipment. Ground-mounted equipment shall not be placed in visibility, access or maintenance easements.

- i. All ground-mounted equipment within view of a public street right-of-way shall be screened from the adjacent street by minimum five (5) gallon evergreen shrubs, or larger, placed three (3) feet on center on the side facing the right-of-way, as well as along both sides of the equipment such that it will be fully screened from view from the street.
 - ii. Planting materials selected shall be such that will grow at least to the height of the equipment height, and will provide a continuous and generally solid/opaque living screen, within two (2) growing seasons from the date planted. The planting material shall be selected from the list of approved materials set forth in the City's Zoning Ordinance.
- (4) **Installation and Financing.** The subdivider shall arrange with the City and with utility companies franchised to serve the area in which the subdivision is located for the construction costs of streets and alleys, utility lines and other public improvements. The subdivider shall also arrange for the sequence of work so that underground utilities shall be installed in those portions of streets intended for vehicular traffic before such streets shall be surfaced. If the several improvements required herein have not been installed or constructed prior to submission of the Final Plat, then the Final Plat shall bear a restriction that no lot shall be occupied and that no municipal services shall be extended thereto until the specified utilities and improvements have been constructed as required.
- (f) **Fiber Optic Network Conduit and Fiber Optic Cable.** All residential and multiple-family subdivisions must make best efforts to install fiber optic capability before receiving a Certificate of Occupancy. In addition, the developer must inform the City of the provider chosen to serve the development and specify both the overall speed (minimum 1 GB) and the speed to each individual house or unit.
- (g) **Retaining Walls.** On any development, whether residential or non-residential, the slopes located at the perimeter of the property shall be graded so that there shall be no retaining walls necessary between the development being constructed and future adjacent developments, unless approved by the Director of Engineering.
- (h) **Amenity Lot Irrigation.** Residential subdivisions containing 500 lots or more shall irrigate their common area lots from on-site wells or detention/retention devices. All open space areas that are not left in a riparian condition shall be irrigated. The Director of Engineering may provide minor modifications to this.

SEC. 10.03.079REQUIRED SUBDIVISION AMENITIES.

- (a) **Description & Definition.** The term "amenity" is defined within Section 10.03.102, *Definitions*, of this Ordinance. This Section may be amended by the Neighborhood Vision Book.
- (b) **Requirements.** Where amenities are proposed in conjunction with a development, such amenities shall be reviewed and approved in accordance with the following:
 - (1) Plans and illustrations, along with a written statement of such concepts, shall be submitted for review and approval with the construction plans.
 - (2) Plans for amenities shall be incorporated into the Screening Plan and Landscape Plans, when applicable, for submittal as part of the construction plans.
 - (3) Structural elements shall be sealed by a licensed professional engineer and shall be approved by the City.
 - (4) Any screening or retaining wall shall be located in a common area lot or within a wall-maintenance easement (minimum three (3) feet wide) to facilitate repair as needed.
 - (5) A Site Plan, reviewed and approved in accordance with the *Zoning Ordinance*, is required for private recreational facilities, amenity centers and parks.
 - (6) City review and approval of plans for amenities shall be required prior to issuance of a Letter of Final Acceptance for the subdivision improvements (refer to Section 10.03.046, *Inspection, Maintenance*

& Acceptance of Public Improvements).

- (7) All open space, landscaped areas, common areas, screening walls, subdivision signs, and other amenities proposed and/or built with a residential development shall be owned and maintained by the HOA. Should any private/public financing partnership be in place, the common areas, open space, and amenities may benefit from such lawful financing reimbursements or payments. At no time shall the ownership of any open space, landscaped areas, entry features, common areas or other amenities associated with the development pass to the City, unless specifically approved by the City Council.
 - (8) Every residential unit must be located within two (2) miles of an outdoor siren early warning system.
 - (9) Every residential and multiple-family development shall have, at the minimum, security cameras located at entrances to the community.
- (c) **Design of Amenities.** The design of amenities shall conform to the following:
- (1) Entry features shall be constructed entirely on privately owned property (i.e., not within public right-of-way), and shall not suspend over a public right-of-way, unless otherwise approved by a license agreement approved by the City. The primary entry feature, with identifying monument sign and/or other identifying branding or focal point, shall be placed within a separate HOA-owned (i.e. common area) lot within a divided entry access point. An entry feature having a water pond, fountain, or other water feature shall only be allowed if approved by the Director of Engineering and the Fire Chief.
 - (2) No entry feature, other than screening walls or extensions of screening walls, may be constructed on any portion of a single-family, two-family, or townhome lots. All such features shall be constructed on lots that are platted as "non-buildable" common-area lots and dedicated to an HOA for private ownership and maintenance.
 - (3) Entry features shall not encroach into visibility easements or otherwise impair pedestrian, cyclist or driver visibility.
 - (4) Private recreation facilities, if provided in a development, shall, to the greatest extent possible, be centrally located within the overall development. (See Diagram 10.03.117)
- (d) **Homeowners Association (HOA) Requirements.**
- (1) Purpose. The purpose for the establishment of an HOA (also referred to as "Association") for residential developments is to create an organization that owns and is responsible for maintaining commonly owned properties and amenities including, but not limited to, private rights-of-way, club houses, recreational facilities, open space lots, and riparian areas used for the communal good of the development's property owners and residents. The ownership and maintenance of said property and amenities shall be organized and established to exist in perpetuity.
 - (2) Applicability. An HOA shall be established for any development that contains any of the following: a minimum of six (6) housing units, a private amenity (such as a clubhouse or pool), private street, a major creek or tributary, or thoroughfare screening. For purposes of this section, the terms "Homeowners Association," "HOA," and "Association" are interchangeable with the term "Property Owners' Association" for multi-family and non-residential developments.
 - (3) Elements Requiring an HOA. Any one (1) or more of the following elements created as part of the development shall require formation and continued operation of a mandatory HOA:
 - i. *Amenities.* Where proposed in conjunction with a development, the word "amenity" shall be as defined in Section 10.03.102, *Definitions*, and shall include, but not be limited to, the following:
 - a. Amenity center (e.g., private swimming pool, club house, conference or assembly rooms, tennis courts, etc.);

- b. Private recreational facility;
 - c. Entry features, including signage and screening walls and other perimeter fencing;
 - d. Open space;
 - e. Ponds and detention features;
 - f. Water fountains or features;
 - g. Hike & bike trails; and
 - h. Other commonly owned facilities.
- ii. *Major Creeks.* As defined in Section 10.03.102, *Definitions*, and as generally regulated by Section 10.08.02(j), *Major Creeks*, of this Ordinance, major creeks that run adjacent to or within a subdivision shall be maintained by the HOA.
 - iii. *Private Streets.* (Also see Sections 14.03.301(i) and (j) of the Zoning Ordinance) As defined in Section 10.03.102, *Definitions*, and as generally regulated by Section 10.03.073(c), *Private Streets*, of this Ordinance, private streets shall be owned and maintained by the HOA. This shall include all infrastructure including streets, alleys, sidewalks and other appurtenances within designated access easements, as well as associated structures as follows:
 - a. Security station structures and equipment (including gates, access card readers, perimeter security fencing, etc.);
 - b. Greenbelts; and
 - c. Other infrastructure necessary for vehicular circulation and neighborhood security.
- (4) Maintenance Agreement. All detention facilities shall be owned and maintained by the HOA and the HOA Board shall enter into a maintenance agreement with the City to ensure that adequate maintenance will be forthcoming over the life of the facility.
- (e) **Procedure for Establishing an HOA.** The establishment of a required HOA shall occur in conjunction with the recordation of the subdivision Final Plat, and shall generally be established as follows:
 - (1) Documents Submitted for Review. The declaration, covenants and other necessary documents establishing the HOA shall be submitted to the City for conformance with this and other applicable ordinances prior to submission of the Final Plat, and prior to issuance of a Letter of Final Acceptance for the development. HOA documents shall include descriptions of any amenities, private streets, stub streets, thoroughfare screening, major creeks or tributaries, and other areas or structures for which the Association has maintenance responsibility, and shall outline the organization and board of the Association.
 - (2) Approval by City Attorney. All HOA documents shall be reviewed by the City Attorney prior to recordation of the Final Plat. The applicant shall reimburse the City for all related legal costs incurred by the City for review of the HOA documents. This reimbursement shall be paid in full prior to recordation of the Final Plat.
 - (3) Recordation. All HOA documents shall be recorded in Denton or Collin County prior to or with the recordation of the Final Plat. All copies of the HOA documents shall be submitted to Development Services along with the appropriate County fees and current tax certificates (with raised seals) for staff to complete the Final Plat recordation process.
 - (4) Additional Phases. An additional phase to an existing subdivision is not required to establish a separate and distinct HOA, provided that:
 - i. The existing, recorded Association documents are amended to incorporate the area of the new subdivision phase and to adopt the responsibility of its amenities, private streets, major creeks and tributaries, thoroughfare screening, and other areas for which the HOA is responsible for maintenance.
 - ii. The applicant shall provide a draft of the amended covenants to the City Attorney for review prior to the recordation of the associated plat.

- (5) Revisions to HOA Documents. As revisions are made to the HOA documents, a copy of the revised documents shall be forwarded to the Director of Development Services for the City's files.
- (f) **Notice to Purchasers.** The developer shall be required to post notice in a prominent place at all model homes and sales offices stating the following:
- (1) That an HOA has been established for the subdivision;
 - (2) That membership in the HOA is mandatory for all lot owners;
 - (3) That the developer and/or builder is required to provide to any potential buyer, upon their request, a complete copy of the Association documents and a five (5) year projection (at a minimum) of HOA dues, income, and expenses; and
 - (4) Any other assessment on the property which may have resulted from a PID, TIRZ, or other public/private financial agreement with the City, including the duration of said assessment and manner of collection.
- (g) **General Requirements.** The following shall be set forth in the HOA documents:
- (1) A statement that membership in the Association is mandatory for all owners of property within the subdivision;
 - (2) A listing of all required maintenance responsibilities, and where possible, the lot numbers, legal descriptions, street names, etc. as shown on the approved plat for areas to be the responsibility of the Association;
 - (3) By-laws related to the governance of the Association;
 - (4) Covenants for maintenance assessments, which shall run with the land;
 - (5) Responsibility for liability insurance and local taxes;
 - (6) Statement that the authority for enforcement of Association rules and regulations is solely the responsibility of the Association and is not, in any way, the responsibility of the City;
 - (7) Authority for the Association to secure funds from its members sufficient to meet its responsibilities. This authority shall include the ability to collect dues, to increase dues, to charge special assessments (such as fees associated with a Public Improvement District), and to place liens against property for failing to pay dues, assessments, and fines.
 - i. Dues shall be calculated based on a cost projection for the maintenance of all amenities and based on eventual build-out of the subdivision;
 - ii. Dues shall not be based on calculations which include monies from the developer which will not be provided following the transfer of the Association from the developer to the lot owners.
 - iii. Dues shall be required to be disclosed to all lot owners at the time of property purchase by the lot owners.
 - (8) Provision that no amendment of the Association documents relating to maintenance of amenities, private streets, major creeks and tributaries, thoroughfare screening, any other Association-maintained area or facility, or related reserve funds (as applicable) shall occur without prior City approval;
 - (9) Written release of liability for maintenance to benefit the City; written indemnification of the City outlining that under no circumstances shall the City be liable to the Association or any individual property owner or their respective heirs, executors, administrators, devisees, personal representatives, successors or assigns for any damages, injuries (including death), and/or liability resulting from any amenity, on the private streets, within or adjacent to any Major Creek or tributary, associated with any thoroughfare screening or common landscaping, or from any other Association-owned and maintained area or facility;
 - (10) Written assurance of adequate funds based on an accredited cost projection analysis within a

specific reserve account of the Association for the maintenance and removal of amenities as determined by the City; and

(11) Written consent giving the City the authority to take appropriate actions for violations as set forth in Section 10.03.079(h), *Violations, Revocations and Liens*.

(12) Other City requirements as applicable.

(h) **Supplementary Requirements.** The HOA shall also comply with the following regulations, where applicable:

(1) Compliance with the Zoning Ordinance. Association documents shall not overrule the landscaping or other provisions of the *Zoning Ordinance* by penalizing or restricting water conserving landscapes, or by requiring landscape materials that do not comply with *Zoning Ordinance* landscape requirements.

(2) Compliance with the Neighborhood Design Guidelines. Association documents shall comply with the adopted *Neighborhood Design Guidelines*.

(3) Amenities. The following regulations shall apply to any subdivision that includes an amenity, as described in Section 10.03.078, *Required Subdivision Amenities*, and defined in Section 10.03.102, *Definitions*:

i. Where amenities are proposed in conjunction with a development, the applicant shall comply with those regulations outlined in Section 10.03.078, *Required Subdivision Amenities*, of this Ordinance.

ii. All developments that require the provision of common open space shall submit covenants to maintain open space, recreational areas, and other commonly owned facilities for review with the Final Plat application.

(4) Private Streets. Whenever a public street becomes private following plat recordation, an HOA is required to be established, if not already in existence, that would be responsible for owning and maintaining the converted streets and rights-of-way. The following regulations shall apply to any subdivision that includes private streets, except those that exist prior to the effective date of this Ordinance.

i. The Association shall own and be responsible for the maintenance of private streets and appurtenances (such as alleys, storm sewers, sidewalks, barrier-free ramps, street lights and signs, etc.) and shall provide for the payment of dues and assessments required to maintain the private streets and appurtenances.

ii. The Association documents shall state that if the approval of the Specific Use Permit for the Private Street Development is revoked or the private streets are otherwise converted to public streets, the reserve fund shall become the property of the City (see the City's *Engineering Design Standards* for conversion process).

iii. In addition to any other requirements set forth in this section, the HOA's documents shall specify the following:

a. That the streets within the development are private, that they are owned and maintained by the Association, and that the City has no obligation to maintain, repair or reconstruct the private streets.

b. A statement that the City may, but is not obligated to, inspect private streets and require repairs necessary to ensure that the same are safe for travel and are being maintained to City standards.

c. A statement that the Association may not be dissolved without the prior written consent of the City Council, which consent shall not be withheld by the City if it determines that an adequate reserve fund exists, and the streets and alleys are in satisfactory condition for conversion to public streets, as determined by the Director of Engineering.

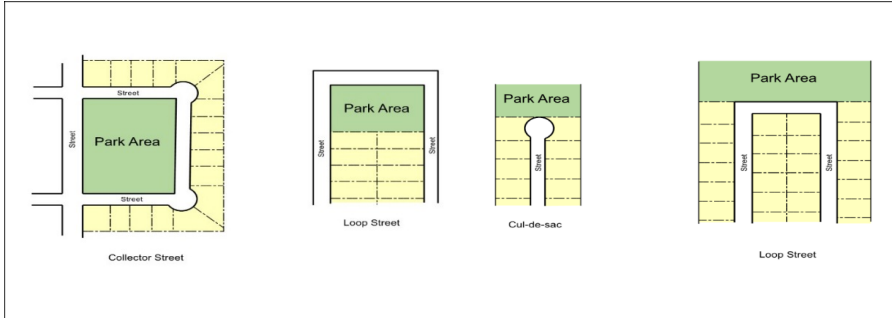
- d. That failure to bring the subdivision into compliance with these regulations may cause the City to revoke the approval or the Specific Use Permit for the Private Street Development and take appropriate action.
 - iv. The HOA documents shall note that certain City services may not be provided in Private Street Developments. The services that may not be provided include, but are not limited to: police enforcement of traffic and parking ordinances and preparation of accident reports. Depending on the characteristics of the proposed development, other services may not be provided.
 - v. The HOA documents shall contain a provision that requires the Association to provide unrestricted access to emergency vehicles, utility personnel, the U.S. Postal Service, and governmental employees, agents or representatives in the performance of their official duties. All access gates shall be designed and constructed in accordance with emergency access design standards listed in the *Engineering Design Standards*, and shall be equipped with an emergency access controlled gate opening system (e.g. Opticom® or Knox-Box®) or with another emergency operating system that is acceptable to the Fire Chief.
- (5) Major Creeks, Tributaries, Ponds and Water Features (100-Year Floodplain). For single-family and two-family residential developments, the area within the 100-year floodplain shall be owned and maintained by a Homeowners Association, subject to City approval. The Final Plat shall reflect, and the Association documents shall provide:
 - i. City access for emergency vehicles, equipment and personnel and for the improvement and maintenance of the 100-year floodplain in the event they are not being properly maintained, as determined by the Director of Engineering; and
 - ii. Should the Association fail to maintain the floodplain area to the standards of the City, the Association shall reimburse the City for all costs incurred by the City for adequate maintenance.
- (i) **Violations, Revocations & Liens.**
 - (1) The City will notify the HOA of violations of any of the regulations specified within this section.
 - (2) Failure to bring the subdivision into compliance with these regulations may cause the City to revoke the specific approval of the Association or take other remedies outlined in this section.
 - (3) The City shall have all liens, assessments and enforcement rights granted therein to the Association, and the City shall have the ability to enforce the liens and assessments, and avail itself of any other enforcement actions available to the City pursuant to State law and/or City regulations.
 - (4) Should the Association fail to carry out its duties as specified in this Ordinance, the City shall have the right and ability, after due notice to the Association, to perform the duties required by this or any other Ordinance, regulation or agreement with the City in order to bring the Association into compliance therewith. The City shall have the right and ability, after due notice to the Association, to assess the Association for the full amount owed and/or assess the property owners on a pro rata basis for all costs incurred by the City in performing said duties if the Association fails to do so. Said assessment shall constitute a lien, in favor of the City, upon the properties for which the assessment is made.

Article 10.03.080.....PARKS & OPEN SPACE

SEC. 10.03.081PARK LAND REQUIREMENTS FOR NEW RESIDENTIAL DEVELOPMENTS

- (a) **Purpose.** This Section is intended to meet the goals and objectives of the City to meet the additional needs created by new residential development.
- (b) **Scope.** The provisions of this Article shall apply to all new residential development within the City for which a Final Plat or Preliminary Plat is required to be submitted to the City for approval.
- (c) **Exemptions.** The provisions of this Article shall not apply to the following:
 - (1) Senior living facilities and senior care facilities, including assisted living facilities, senior congregate care facilities, memory care facilities and nursing homes. However, independent living and retirement communities or age-restricted housing developments shall be subject to the provisions of this Article.
 - (2) Residential development for property to be located on a lot of record that was approved prior to the effective date of the ordinance from which this article derives.
 - (3) A record plat, minor plat, or replat which was approved prior to the effective date of the ordinance from which this article derives.
 - (4) Residential development constructed or to be constructed in accordance with a building permit issued prior to the effective date of the ordinance from which this article derives.
- (d) **Park Design Requirements: Neighborhood-Open Space and Linear Parks and Connections to ParksCity.**
 - (1) Parks must be easy to access and open to public view to benefit area development, enhance the visual character of the City, protect public safety and minimize conflict with adjacent land uses.
 - (2) Usable open space (which must be platted as an HOA X lot) shall have one (1) large canopy tree planted every 5,000 square feet. Staff may authorize minor modifications for tracts with extensive perimeter ROW tree requirements, tracts with extensive tree cover, or for areas intended for active recreation or detention.
 - (3) The following standards shall be used in designing parks and adjacent development:
 - i. Where physically feasible, parks shall be bounded by streets, or by other public uses (e.g. a school, library, recreation center).
 - ii. Where residential lots are directly adjacent to a park, lots must be oriented to side and not back to the park. In this instance, cul-de-sac and looped streets must be used to access the lots and park.
 - iii. Residential lots may back to a park, open space, or greenbelt only when the site's physical

character (e.g., shape, topography, drainage) does not reasonably permit an alternative



- design or the layout of the subdivision complements the use of the park (e.g., lots backing to a golf course). Lots backing to a linear park, neighborhood park, or natural drainage corridor shall only be allowed upon a recommendation from the City Manager or designee and approval by the Planning & Zoning Commission.
- iv. A proposed subdivision adjacent to a park may not be designed to restrict reasonable access to the park from other area subdivisions.
 - v. Street connections to existing or future adjoining subdivisions may be required to provide reasonable access to parks.
 - vi. Alleys shall not abut a park.
 - vii. Public access to a park shall not be less than fifty (50) feet at the curb and in width to the Base Floodplain and/or Maintenance and/or Access Dedication and shall not be part of a residential lot. The Developer shall install a Hike & Bike trail connection from the street to the Hike & Bike trail/park prior to final acceptance of the subdivision. This trail must be blocked from motor vehicle traffic. However, the Developer may request to escrow funds for the contracted amount prior to final acceptance of the subdivision with City approval. The escrow amount will remain in place until the trail has been completed and accepted by the City.
 - viii. A twenty-five (25) foot level surface shall be provided for all public Hike & Bike trails. The twenty-five (25) foot wide level surface can be provided within and/or outside of the Base Floodplain and/or Access Dedication. The parkway for the public street may count towards the twenty-five (25) foot wide level surface.
 - ix. All proposed Hike & Bike trails shall be shown on the Preliminary Plat. The Parks and Recreation Department shall make the final determination of the placement of the public Hike & Bike trail at the time of the Final Plat.
 - x. No development shall interrupt future trail routes or otherwise hinder efficient public access to or from an existing or future planned trail. Gated and other limited access developments shall be designed such that they facilitate, and do not impede, through public access, emergency ingress and egress, usage and enjoyment of public trails.
 - xi. Streets abutting a park shall be built in accordance with the Thoroughfare Plan, the standards of this Ordinance, and all other applicable construction standards and/or ordinances, as they exist or may be amended. However, the City may require any residential street built adjacent to a park to be constructed to collector street width to ensure access and prevent traffic congestion.
 - a. When park land is acquired, the City shall reserve sufficient land to provide the additional

right-of-way required for an abutting collector size street, sixty (60) feet of right-of-way, unless otherwise approved by the City.

- b. The proposed street alignment fronting on City parks is subject to City approval. Land owners shall also provide street access to all Major Creeks and/or Access Dedications.

Sec. 10.03.082PARK LAND DEDICATION REQUIREMENTS.

- (a) **Land Conveyance or Payment in Lieu of Land Required.** The owner of any property to be developed for residential or multiple-family purposes shall convey land for park purposes or make a payment of money in lieu of land, or a combination of both, to the City at the time of platting to provide for the recreational needs created by such development, in accordance with the provisions of this article (the "park land dedication fee").
- (b) **Proposed Number of Dwelling Units.** All plats, lots of record, replats, site plans or proposed improvements of land for new residential development shall indicate the number of proposed dwelling units to be constructed or placed within the development on such plat, lot of record, replat, or site plan.
- (c) **Determination or Requirements.** In reviewing any lot of record, plat, site plan, or proposed improvements of land for a new residential development (including townhome or multi-family developments), the City Manager or designee shall make a determination of whether a conveyance of land, payment of money in lieu of land or a combination of both shall be made to meet the requirements of this article.
- (d) **Factors Considered.** In making a determination of which type of dedication, or combination thereof, shall be made, the City Manager or designee shall evaluate what would be in the best interest of the City, based upon relevant factors that may include, but not be limited to, the following:
 - (1) Whether the proposed land to be conveyed for park purposes would be suitable as a regional, ~~neighborhood~~, linear, community, ~~school~~, or ~~other~~ city park;
 - (2) Any adopted park plan or sub-area plan for the area in which the development is located;
 - (3) Whether the proposed land to be conveyed for park purposes is adjacent to an existing or proposed school site.
 - (4) Whether there is sufficient existing public or private park land in the area of the proposed development;
 - (5) Whether the park needs of the area where the proposed development is located would be best served by expanding or upgrading existing parks;
 - (6) Whether the land is located adjacent to a greenbelt park which is intended to be preserved in its natural state; ~~and~~
 - ~~(7)~~ Whether the development of a park in the location proposed reflects the guidelines of the Comprehensive Plan; and,
 - ~~(7)(8)~~ Whether there is a significant natural resource on the site that should be preserved and/or protected through parkland dedication.
- (e) **Dedication: Conveyance of Land Requirements.** The City Manager or his designee shall make the determination regarding whether a conveyance of land shall be accepted in whole or in part or whether it would be more beneficial to the City to accept the market-based cash equivalent. When the City elects to accept the conveyance of land to meet the Park Land Dedication requirement, the following provisions shall apply:
 - (1) Amount.
 - i. The required conveyance of land shall be one (1) acre of land per fifty (50) residential single-family units, or a dollar amount per square foot of the land in lieu of land dedication, as listed in the Master Fee Schedule.
 - ii. The required conveyance of land for multi-family units shall be a flat per unit fee, as listed in

- the Master Fee Schedule.
- (2) Manner and Method. Plats required to be submitted to the City for approval shall show thereon a fee simple conveyance to the City of the land required for park purposes as a condition to approval of such plat by the Commission. The City may further require the conveyance of the park property by general warranty deed. As a condition to acceptance of the plat or deed by the City, the Subdivider shall provide the City with an owner's title policy of insurance in an amount equal to the value of the land conveyed, which amount shall be determined by the City.
 - (3) Credit for Private Recreation Facilities. Where private recreation facilities are built for the residents for the subdivision or development, a credit may be granted with a recommendation from the City Park Board and approval by the City Council. The value of these private recreation facilities shall be determined by the City Council, but shall not exceed fifty percent (50%) credit of conveyance, and must make the facilities open to the public.
 - (4) Credit for Prior Dedications. Where a gift of land was made prior to the effective date of the ordinance from which this article is derived by the owner of land required to convey land under the provisions of this article, the former gift of land shall be credited on a per-acre basis toward the required conveyance provided by this article when the City Council finds that:
 - i. The gift was made within five (5) years of the effective date of this ordinance;
 - ii. The land given was within one-half mile of the new development for which land is required to be conveyed;
 - iii. The land given is not being presently used for purposes incompatible with park purposes and is suitable for park purposes; and
 - iv. A credit may be given for on-site improvements that are compatible with long-range development plans for the proposed park.
 - v. The credit provided for herein shall not be transferable and shall only be given to the donor of the land who is the owner of the property being developed for which a conveyance of land is required by this article, unless said prior conveyances were included as a part of an executed facilities and/or development agreement between the City and the developer.
 - (5) Credit for Conveyance of Floodplains. In cases where floodplain and or property is proposed to be conveyed to satisfy the Park Land Dedication requirements, a credit will be given based upon the following formula or ratio: three (3) acres of floodplain shall equal one (1) acre of land outside the floodplain, if approved by the Park Board.
 - (6) Suitability of Land for ~~Neighborhood-Regional Parks, Linear Parks, Community Parks, School or Linear Parks, or Other City Parks~~. The Park Board shall be the arbiter of what land is suitable for park land dedication, subject to final approval by the City Council. A proposed conveyance of land shall not be considered suitable for Neighborhood Parks, Community Parks, or Open Space purposes if it has one or more of the following characteristics:
 - i. Located within the 100-year floodplain, as shown on the latest flood insurance rate map or Floodplain Ordinance adopted by the City on which the Federal Emergency Management Agency (FEMA) has delineated both the areas of special flood hazard and the risk premium zones applicable to the community. The City may accept no more than the twenty percent (20%) floodplain land, unless a greater percentage of land within the floodplain is determined in the best interest of the City.
 - ii. The proposed dedication is less than seven and a half (7.5) acres for a ~~neighborhood-school~~ park or less than twenty (20) acres for a community park, unless the proposed dedication is located in such a manner in which it could be combined with other dedications to create a park of adequate size.
 - iii. It has unusual topography or slope or has utility easements that render it unsuitable for

organized recreational activities or passive park needs, depending on the City's intended use for the property.

- iv. It does not, or would not, front an improved public street or would not be readily accessible, in whole or in part, to the public.

(f) **Dedication: Payment in Lieu of Land Provisions.** Where the City Manager or designee determines that a payment of money in lieu of land shall be made, the following provisions shall apply:

(1) Determining the Amount of Payment.

- i. Any payment of money required to be paid shall be in an amount equal to the average per-acre value of the whole property included within the residential development or the amount set forth in the Fee Schedule, as it currently exists or may be amended, whichever is greater.
- ii. In determining the average per-acre value of the total land included within the proposed residential development, the City Manager or designee may base its determination on one or more of the following:
 - a. The most recent appraisal of all or part of the property made by the county central appraisal district; or
 - b. Confirmed sale prices of all or part of the property to be developed, or comparable property in close proximity thereof, which has occurred within two (2) years immediately preceding the date of determination; or
- iii. Where, in the judgment of the City Manager or designee, Section 10.03.082(f)(1)(i) or 10.03.082(f)(1)(ii) above would not, because of changed conditions, be a reliable indication of the current value of the land being developed, an independent appraisal of the whole property obtained by the City and paid for by the Developer; or

(2) Time of Payment. Any payment of money required herein shall be paid as a condition to the approval of any Final Plat or replat. Payment shall be made prior to the filing of the plat unless otherwise stated in an agreement approved by the City Council.

(3) Park Land Dedication Fund. All cash payments paid to the City in accordance with this Section shall be deposited in a separate Park Land Dedication Fund. The City shall account for all such payment with reference to each development for which the payment is made.

(4) Use of Funds. Any payments made to the park development fund must be used for the acquisition and development of parks, Hike & Bike trails, or public open space located within the City.

(g) **Compliance, Penalties, Sanctions and Redeterminations.**

(1) Requirements to be Satisfied Prior to Development. It shall be unlawful for any person who is required to convey land, or pay money in lieu of land, as required by this article, to begin, or allow any other person or contractor to begin, any construction or improvements on any land within any development to which this article applies until the required conveyance of land or payment of money in lieu of land is made to the City in accordance with this article.

(2) Permits and Services to be Withheld. No building permits shall be issued for, and no permanent utility services shall be provided to any land within any development to which this article applies until the required conveyance of land or payment of money in lieu of land is made to the City in accordance with this article.

(3) Redetermination of Requirements for Proposed Additional Dwelling Units. After the City Council has made a determination of the requirements of this article, or after the requirements of this article have been met, based upon the proposed number of residential dwelling units for any land to which this article applies, any person who desires to construct a number of dwelling units in excess of the number of dwelling units for which the requirements of this article were determined or met must submit to the City Council a revised calculation for the total number dwelling units in

the development. If the additional number of dwelling units changes the density of the development, a zoning change may be required. If the additional dwelling units are accepted by the City through a process determined by the City Manager or his designee, the developer shall either convey the additional park land through a plat or replat or shall pay a fee in lieu of park land for the additional dwelling units at the issuance of the first building permit for all the additional units, regardless of whether all of the units are being constructed at one time.

Sec. 10.03.083 PARK IMPROVEMENT FEES

(a) **Purpose.**

- (1) A park improvement fee ("park fee") is hereby imposed on residential development for the purpose of ensuring that ~~City, regional, linear, community, neighborhood school, or other city park facilities, and linear park facilities~~ are available and adequate to meet the needs created by new residential development.
- (2) The park fee is imposed in conjunction with and in addition to requirements for the dedication of ~~neighborhood open space~~ and linear park land and the construction of ~~neighborhood open space~~ and linear park improvements for which contributions the Property Owner may be reimbursed from proceeds of park fees imposed, as provided in Section 10.03.083(f), *Use of Park Improvement Fee*.
- (3) Park improvement fees are collected on a per unit basis prior to the issuance of a building permit and are listed in the Master Fee Schedule.

(b) **Applicability of Park Fee.** In all cases in which parkland is dedicated or cash is paid in lieu of parkland dedication, the subdivider shall also pay to the City a sum of money, as set forth by Section 10.03.083(d), *Amount of Park Improvement Fee*. This subsection does not apply to activities involving the replacement, reconstruction, remodeling, rehabilitation or other improvements to an existing residential structure, or to the rebuilding of a damaged structure or to permits required for accessory uses, unless such activity results in a change in the type or increase in the number of dwelling units.

(c) **Imposition of Park Fee.** Imposition of the park fee does not alter, negate, supersede or otherwise affect any other requirements of City, county, state or federal legislation or regulations that may be applicable to a residential development, including City zoning and/or subdivision regulations that may impose open space and park requirements and standards.

(d) **Amount of Park Improvement Fee.** The established park fee for single-family, duplex, townhome and multifamily dwelling units as listed in the Fee Schedule.

(e) **Timing and Processing of Park Improvement Fees.**

- (1) The park improvement fee shall be paid by the home builder prior to the issuance of a Building Permit.
- (2) The amount of the park improvement fee for single-family, two-family, and multi-family units is set forth in the City's Master Fee Schedule, as it currently exists or may be amended.
- (3) All park improvement fee payments shall be segregated in a separate fund to be spent only for the improvement of park facilities, funding of staff, or purchase of park land within the City.
- (4) The City shall maintain and keep financial records for park improvement fees, which shall show the source and disbursement of all fees collected.

(f) **Use of Park Improvement Fees.** Park fees must be used for the following purposes:

- (1) To acquire, develop, and provide equipment for Parks.
- (2) To repay Developers for the reasonable costs of any park improvements constructed and accepted by the City.

(g) **Additional Voluntary Park Improvements.** A developer may request permission to construct, at his own

expense, additional park improvements. The City may accept or reject voluntary dedications of park land and/or additional park improvements. ~~Such voluntary dedications and/or improvements shall be considered for approval by the Park Board.~~ All improvements in public parks and open spaces shall be consistent with the design criteria and objectives of the City and any adopted park plan, and shall, upon installation, become the property of the City. Prior to constructing such additional park improvements, the developer shall enter into a development agreement with the City that defines, among other things, the work to be performed, construction schedules, improvement costs, performance surety, the amount to be reimbursed by the City (if any), and the timing of such reimbursement (if any).

(h) **Appeals and Variances.**

- (1) The Developer may appeal the following decisions of the City Manager to the Board of Adjustment:
 - i. The applicability of the park fee;
 - ii. The amount of the fee due; or
 - iii. The amount of refund due, if any.
- (2) The Developer must file a notice of appeal with the City Council within thirty (30) days following the determination by the City Manager. If the notice of appeal is accompanied by a bond or other sufficient surety satisfactory to the City Attorney in an amount equal to the park fee due as calculated by the City Manager, the development application shall be processed. The filing of an appeal shall not stay the collection of the fee due, unless a bond or other sufficient surety has been filed.
- (3) The Board of Adjustment may grant variances from any requirements of this Chapter, upon written request by a Property Owner, following a public hearing, and only upon a finding that a strict application of such requirement would result in a substantial hardship that is not common to similarly situated property owners.

- (i) **Park Fee as Additional and Supplemental Requirement.** The Park Fee is in addition and supplemental to and not in substitution of Park Land dedication or fees in lieu of land conveyance, or any other requirements imposed by the City on the residential development of the land.

Sec. 10.03.084.....HIKE & BIKE TRAIL REQUIREMENTS.

- (a) **Hike & Bicycle Trail Master Plan.** Hike & Bike trails located within or adjacent to the development shall be constructed at the developer's expense in accordance with any adopted master plan, and as amended.
- (b) **Requirements.** Hike & Bike Trails, especially those providing access to and along a Major Creek and other open spaces, shall be in accordance with the following design criteria unless otherwise approved by the Director of Parks & Recreation and the Director of Development Services:
 - (1) A minimum twenty-five (25) foot wide level ground surface shall be provided for a twelve (12) foot wide public Hike & Bike trail, where required. The twenty-five (25) foot wide, level ground surface may be provided within and/or outside of the 100-year floodplain.
 - (2) The parkway of a public street may count toward the twenty-five (25) foot wide, level ground surface, upon approval of the Director of Parks & Recreation.
 - (3) Low water crossings for the Hike & Bike trail may be allowed upon approval from the Director of Engineering and the Director of Parks & Recreation.
 - (4) The Hike & Bike trails shall be designed so as to minimize visibility blind spots from public streets for public safety purposes.
 - (5) Construction plans for the development shall include engineered drawings of trail cross-sections in accordance with the City's *Engineering Design Standards*. Trail geometric design, signage, and safety measures shall be in accordance with AASHTO standards.
 - (6) Hike & Bike trails shall be shown on the Final Plat and dedicated as "trail easements."

(7) Sidewalks and streets, including cul-de-sacs, adjacent or near a trail shall provide a concrete pedestrian connection to the trail, including any necessary barrier free ramps and bollards.

~~(6)~~(8) All sidewalks shall be adequately lit for public safety purposes and shaded.

- (c) **Locations & Easements.** Locations of all trails shall be consistent with the locations designated in any adopted master plan, and are subject to approval by the Director of Parks & Recreation and the Director of Development Services.
- (1) The Director of Parks & Recreation and the Director of Development Services shall have the authority to determine the placement of future Hike & Bike Trails at the time of Conveyance Plat or Preliminary Plat review and approval.
 - (2) No development shall interrupt future trail routes or otherwise hinder efficient public access to or from an existing or future planned Hike & Bike Trail. Gated and other limited access developments shall be designed such that they facilitate, and do not impede, through public access, emergency ingress and egress, usage, and enjoyment of public trails.
 - (3) Residential developments that own, by means of an HOA, open space, must provide a minimum 25' wide pedestrian access easement to allow future Hike & Bike Trails to transverse the property.
- (d) **Trails Along Major Creeks & Greenways.**
- (1) Hike & Bike trails shall be located adjacent to Major Creeks or greenways whether shown on the master trails plan or master parks plan or not. These trails shall be staked in the field by the developer, provide stub outs to any local sidewalk system and approved by both the Director of Parks & Recreation and the Director of Development Services prior to the submittal of a Conveyance Plat or Preliminary Plat.
 - (2) The location of the trail shall be specified on the Conveyance Plat or Preliminary Plat as the approved location for the Hike & Bike trail, and an easement for such shall be shown on the Conveyance or Preliminary Plat and the associated Final Plat for any portions of the trail that traverse private property.
- (e) **Trails in Relation to Golf Courses.** When a trail system is extended through a golf course, improvements shall be made to protect and provide separation between users of the trail system and the golfers, at the developer's expense. Such improvements include, but are not limited to, a series of berms and trees to help protect trail users from airborne golf balls. Upon approval of the Director of Parks & Recreation and the Director of Development Services, a golf cart path of sufficient width to accommodate both golf carts and bicycles may serve as a trail.
- (f) **Future Trails and Access for New Developments.** When development is adjacent to an undeveloped property, a pedestrian access stub-out in conjunction with a street connection to the edge of the development shall be required to allow for future access between developments.

ARTICLE 10.03.085RELIEF PROCEDURES

Sec. 10.03.086VARIANCES & MINOR MODIFICATIONS.

- (a) **Purpose.** The purpose of these relief procedures is to allow an applicant to differ from a particular standard or requirement of this Ordinance that would substantially limit the applicant's ability to utilize the land in a manner requested.
 - (1) The rules and regulations of this Subdivision Ordinance are the standard requirements of the City. Suspension of any of these rules and regulations may be granted upon a good and sufficient showing by the applicant that there are special circumstances or conditions affecting the property in question, or that enforcement of the provisions of this article will deprive the applicant of a substantial property right and that such suspension, if granted, will not be materially detrimental to the public welfare or injurious to other property or property rights in the vicinity.
 - (2) Each and every application for Variance shall be decided solely and entirely on its own merits and the disposition of any prior or pending application for Variance shall not be allowed to enter into or affect any decision on the application in question.
 - (3) Pecuniary interests (i.e. financial issues) standing alone shall not be justification for the granting of a Variance.
- (b) **Definitions of Levels of Relief.** The Director of Development Services shall be responsible for classifying any relief procedure as "minor" or "major." Minor modifications may be acted upon by the Director of Development Services or the Director of Engineering. Variances, as required by State Law, and as defined in Section 10.03.102, *Definitions*, of this Ordinance, require consideration by the Board of Adjustment.
- (c) **Decision-Makers & Appeals.**
 - (1) Minor Modifications. A minor modification is acted upon by the Director of Development Services or the Director of Engineering. An appeal to a decision on a minor modification by the Director of Development Services or the Director of Engineering (as applicable) shall be considered by the Board of Adjustment. The Board of Adjustment will be the final decision maker.
 - (2) Variances. A variance is acted upon by the Board of Adjustment. An appeal to a variance decision by the Board of Adjustment shall be considered by a District or County Court.
- (d) **Applicability.**
 - (1) An applicant may request relief from a particular standard or requirement applicable to a Conveyance Plat, Preliminary Plat, Construction Plans, Final Plat, or a Replat. The relief petition shall be specific in nature, and shall only involve relief consideration for one particular standard or requirement. An applicant may, if desired, submit more than one relief petition if there are several standards or requirements at issue.
 - (2) A petition for relief shall not be accepted in lieu of a vested rights petition (Section 10.03.087, *Vested Rights*). If there is a question as to whether a vested rights petition is required instead of a petition for relief, such determination shall be made by the Director of Development Services.
- (e) **Variance Submission Procedure.**
 - (1) A request for relief shall be submitted in writing by the applicant with the submittal of a Conveyance Plat, Preliminary Plat, Construction Plans, Final Plat, or Replat, as applicable. No relief may be considered or granted unless the applicant has made such written request and paid the applicable fee.
 - (2) The applicant's request shall state the grounds for the relief request and all of the facts relied upon by the applicant. Failure to do so will result in denial of the associated plat application.
- (f) **Variance Criteria.**

- (1) A variance to regulations within this Ordinance may be approved only when, in the Board of Adjustment's opinion, undue hardship will result from strict compliance to the regulations.
- (2) The Board of Adjustment shall take into account the following factors:
 - i. The nature of the proposed land use involved and existing uses of the land in the vicinity;
 - ii. The number of persons who will reside or work in the proposed development; and
 - iii. The effect such variance might have upon traffic conditions and upon the public health, safety, convenience and welfare in the vicinity.
- (3) No variance shall be granted unless the Board of Adjustment finds:
 - i. That there are special circumstances or conditions affecting the land involved or other constraints such that the strict application of the provisions of this Ordinance would deprive the applicant of the reasonable use of the land; and
 - ii. That the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant, and that the granting of the Variance will not be detrimental to the public health, safety or welfare or injurious to other property in the area; and
 - iii. That the granting of the variance will not have the effect of preventing the orderly subdivision of other lands in the area in accordance with the provisions of this Ordinance.
- (4) A variance may be granted only when in harmony with the general purpose and intent of this Ordinance so that the public health, safety and welfare may be secured and substantial justice done. Financial hardship to the applicant shall not be deemed to constitute undue hardship.
- (5) No variance shall be granted unless it represents the minimum degree of variation of requirements necessary to meet the needs of the applicant.
- (6) The Board of Adjustment shall not authorize a variance that would constitute a violation of, or conflict with, any other valid ordinance, code, regulation, master plan, or *Comprehensive Plan* of the City.
- (7) Any falsification of information by the applicant shall be cause for the variance request to be denied. If the variance request is approved based upon false information, whether intentional or not, discovery of such false information shall nullify prior approval of the variance, and shall be grounds for reconsideration of the variance request.
- (g) **Burden of Proof.** The applicant bears the burden of proof to demonstrate that the requirement for which a variance is requested, if uniformly applied, imposes an undue hardship or disproportionate burden on the applicant. The applicant shall submit the burden of proof with the original submittal.
- (h) **Decision.** The decision-maker shall consider the variance petition and, based upon the criteria set forth in Section 10.03.086(g), *Variance Criteria*, shall take one of the following actions:
 - (1) Deny the petition, and impose the standard or requirement as it is stated in this Subdivision Ordinance; or
 - (2) Grant the petition, and waive in whole or in part the standard or requirement as it is stated in this Ordinance.
- (i) **Notification of Decision on Petition.** The applicant shall be notified of the decision on the variance by the Director within fourteen (14) calendar days following the decision.
- (j) **Appeal Process.**
 - (1) Initiation of an Appeal. The applicant or City Staff may appeal a variance decision. A written letter of appeal shall be submitted to the Director of Development Services within fourteen (14) calendar days following the decision by the Board of Adjustment, as allowed by State law.
 - (2) Appeal to District or County Court. The written appeal petition shall be brought before the Court of Record for final decision
- (k) **Minor Modification Procedure.** The Director of Development Services shall determine what criteria apply

for any relief petition that is considered “minor” in nature on a case-by-case basis. Appeals to his decision shall be heard by the Board of Adjustment.

- (l) **Effect of Approval.** Following the granting of a minor modification or variance, the applicant may submit or continue the processing of a plat or construction plans, as applicable. The minor modification or variance granted shall remain in effect for the period the plat, concept plan, or construction plans are in effect, and shall expire upon expiration of any of those applications. Extension of those applications shall also result in extension of the minor modification or variance. The approval of a minor modification or variance relieves the applicant of the imposition of the particular standard or requirement for which a minor modification or variance was sought following the finding of just cause for such minor modification or variance to be allowed. A variance shall not be approved solely based on monetary interests. Minor modifications or variances are heard on a case-by-case basis and do not establish precedent.

Sec. 10.03.087VESTED RIGHTS.

- (a) **Purpose.** The purpose of a vested rights petition is to determine whether an application should be processed under the terms of a previous ordinance, to provide a process for determination of possible vested status, and to determine when certain permits are subject to expiration.
- (b) **Applicability.**
- (1) A vested rights petition may be submitted for any application authorized under this Ordinance.
 - (2) A vested rights petition cannot be submitted by an applicant along with submission of a request for a text amendment to this Ordinance, a Zoning Map amendment, or any other request for a legislative decision by the City Council.
- (c) **Submission.** A vested rights petition shall be submitted to and officially filed with the City’s responsible official (see Section 10.03.023(g), *Application Submittal Process* in accordance with State law. Submission of a vested rights petition shall be deemed as an automatic variance of the applicant’s right, and the City’s obligation, to process and act upon applications as required by State law and as provided in Section 10.03.087(e), *Form of Petition*, of this Ordinance. Submission of such petition shall stay further proceedings on the related application until a final decision is reached on the vested rights petition.
- (d) **Effect.** If a properly submitted vested rights petition is approved in whole or in part, the responsible official shall then process the original application and the decision-maker shall decide the application in accordance with the standards specified in the relief order based on prior ordinance requirements or development standards existing at the date vesting is established, or shall extend the validity of the original application that would otherwise be subject to expiration pursuant to this Ordinance.
- (e) **Form of Petition.** The vested rights petition shall allege in writing that the applicant has a vested right for some or all of the land subject to the application under State law that requires the City to review and decide the application under standards that were in effect prior to the effective date of the currently applicable standards. The petition shall include the following information and documents:
- (1) A written vested rights petition form, with a notarized original signature of the property owner;
 - (2) A narrative description of the grounds for the petition, including a statement as to whether the petition asserts a vested right related to a specific standard or to an entire project;
 - (3) A copy of each approved or pending application that is the basis for the contention that the City may not apply current standards to the application;
 - (4) The official filing date of the application;
 - (5) The date the subdivision for which the application was submitted was commenced;
 - (6) Identification of all standards otherwise applicable to the application from which relief is sought;
 - (7) Identification of any current standards which applicant agrees can be applied to the application at

issue;

- (8) A narrative description of how the application of current standards affect proposed landscaping, open space or park dedication, shown on the application for which the petition is filed;
- (9) A copy of any prior vested rights determination involving the same land; and
- (10) Whenever the applicant alleges that an application subject to expiration should not be terminated, a description of the events constituting progress toward completion of the subdivision for which the application was approved. The applicant shall reimburse the City for all related legal costs for review of the vested rights petition. This reimbursement shall be paid in full prior to any decision on the petition.

(f) **Timing for Filing Petition.** A vested rights petition shall be filed with an application for which a vested right is claimed, except that the petition may be filed before the date of expiration of any already approved application when filed pursuant to Section 10.03.089, *Dormant Projects*. Where more than one (1) application is authorized to be filed simultaneously by this Ordinance, the petition may be filed simultaneously for each application.

(g) **Processing and Decision.**

- (1) Responsible Official. The responsible official for a vested rights petition is the same as that for processing the application with which the petition is associated, except where a petition is submitted pursuant to Section 10.03.027, *Expiration for Projects Approved Prior to the Adoption of Subdivision Ordinance*. Where multiple applications are submitted, and there is more than one (1) responsible official, the decision of each responsible official shall be coordinated with that of any other responsible official on the vested rights petition. The City Attorney shall also be notified of the vested rights petition following its filing and acceptance for processing. The applicant shall reimburse the City for all related legal costs for review of a vested rights petition. This reimbursement shall be paid in full prior to filing of the Final Plat.
- (2) Action and/or Decision by Responsible Official.
 - i. If the responsible official is the decision-maker on the original related application, that official shall determine whether the relief requested in the vested rights petition should be granted in whole or in part, and shall formulate a written report summarizing the official's reasoning and recommendation.
 - ii. The applicant shall be notified of the decision within fourteen (14) calendar days following the date the vested rights petition was filed at the City.
 - iii. The responsible official may defer making a decision on the vested rights petition and instead forward the petition to the Commission for a decision, in accordance with the process outlined in Section 10.03.087(g)(3), *Decision by Planning & Zoning Commission*.
- (3) Decision by Planning & Zoning Commission. If the original application is to be decided by the Commission, or if the responsible official defers making a decision on a vested rights petition, the responsible official for that type of application shall submit a report in the form of a recommendation on the vested rights petition to the Planning & Zoning Commission. The Commission shall render a decision on the vested rights petition within thirty (30) calendar days following the date the petition was filed with the City. The Commission's decision on a vested rights petition shall be upon a simple majority vote of the full Commission's voting members.
- (4) Decision by City Council. Where the City Council is the final decision-maker on the related application, or for any petition submitted pursuant to Section 10.03.089, *Dormant Projects*, the responsible official for that type of application shall submit a report in the form of a recommendation on the vested rights petition to the City Council. The Council shall render a decision on the vested rights petition within thirty (30) calendar days following the date the petition

was filed with the City. The City Council's decision on a vested rights petition shall be upon a simple majority vote of the full Council's voting members, and shall be final.

- (5) Appeal of Decision. The applicant may appeal to City Council the responsible official's or Commission's decision on the vested rights petition by submitting written notice of appeal to the applicable responsible official within fourteen (14) calendar days following the date of such decision. The City Council shall hear and decide the appeal within thirty (30) calendar days following receipt of the notice of appeal by the City. Approval of an appeal by the City Council shall only be upon a favorable vote of at least four (4) of the Council's voting members, and shall be final (see Section 10.03.087(k), *Appeal*).
- (6) Effect on Related Applications. A final decision on the vested rights petition or appeal under this section must be achieved prior to further processing, and prior to any consideration of, or decision on, the related application. Upon such final resolution and decision on a vested rights petition, the responsible official shall commence processing, review and consideration for the related application as provided in this Ordinance.

(h) **Criteria for Approval.**

- (1) Factors. The decision-maker shall decide the vested rights petition based upon the following factors:
 - i. The nature and extent of prior applications filed for the land subject to the petition;
 - ii. Whether any prior vested rights determinations have been made with respect to the property subject to the petition;
 - iii. Whether any prior approved applications for the property have expired or have been terminated in accordance with State law or local ordinances;
 - iv. Whether current standards adopted after commencement of the project affect proposed use of the land, landscaping or tree preservation, open space or park dedication, lot size, lot dimensions, lot coverage or building size based upon the proposed application;
 - v. Whether any statutory exception applies to the standards in the current Subdivision Ordinance from which the applicant seeks relief;
 - vi. Whether any prior approved applications relied upon by the applicant have expired;
 - vii. For petitions filed pursuant to Section 10.03.027 of this Ordinance, *Expiration for Projects Approved Prior to the Adoption of Subdivision Ordinance*, whether any of the events in Section 10.03.027 have occurred;
 - viii. Any other applicable provisions of State law.
- (2) Conditions. If the claim of vested rights is based upon a pending application, subject to standards that have been superseded by current standards of this Ordinance, the decision-maker may condition any relief granted on the vested rights petition on the approval of the pending application.

(i) **Action and Record of Action.**

- (1) Action. The decision-maker may take any of the following actions:
 - i. Deny the relief requested in the petition, and direct that the application shall be reviewed and decided under currently applicable standards; or
 - ii. Grant the relief requested in the petition, and direct that the related application be reviewed and decided in accordance with the standards contained in identified prior regulations; or
 - iii. Grant the relief requested in part, and direct that certain identified current standards be applied to the related application, while standards contained in identified prior regulations also shall be applied; or
 - iv. For petitions filed pursuant to Section 10.03.027, *Expiration for Projects Approved Prior to the Adoption of Subdivision Ordinance*, specify the expiration date or the conditions of expiration for the related application(s).

- (2) **Record.** The responsible official's report and the decision on the vested rights petition shall be recorded in writing in an order identifying the following:
- i. The nature of the relief granted, if any;
 - ii. The related applications upon which relief is premised under the petition;
 - iii. Current standards which shall apply to the related application for which relief is sought, if applicable;
 - iv. Prior standards which shall apply to the related application for which relief is sought, including any procedural standards, if applicable;
 - v. The statutory exception or other grounds upon which relief is denied in whole or in part on the petition;
 - vi. To the extent feasible, subsequent related applications that are subject to the same relief granted on the petition; and
 - vii. For petitions filed pursuant to Section 10.03.027, *Expiration for Projects Approved Prior to the Adoption of Subdivision Ordinance*, the date of expiration of the related application.

(j) **Associated Applications Following Final Decision.**

- (1) Following the City's final decision on the vested rights petition, the applicant shall, if necessary, revise the related application such that it conforms to the City's decision on the vested rights petition.
- (2) The decision-maker on the related application shall review and consider the revised application in accordance with the procedures for deciding that type of application, as outlined in this Ordinance, and in conformity with any relief granted.
- (3) If the relief granted on the vested rights petition is consistent with the related application on file, no revisions shall be necessary, and the related application shall be deemed officially filed at the time of the final decision on the vested rights petition.

(k) **Appeal.**

- (1) **Initiation of an Appeal.** The applicant may appeal the decision of the Commission by submitting a written notice of appeal to the Director of Development Services within fourteen (14) calendar days following the date of the Commission's decision.
 - i. For a City Council-initiated appeal, the Council shall consider and act on whether it will appeal the Commission's decision at its first regular meeting (for which there is time to include such appeal on its posted agenda, as required by State law) that occurs after the Commission meeting at which the decision was made.
 - ii. Written notice of the City Council's vote to appeal shall be submitted to the Director of Development Services within seven (7) calendar days following the City Council's vote to appeal the decision.
 - iii. For an applicant-initiated appeal, a letter stating the reasons for the appeal, citing the specific applicable sections of the Subdivision Ordinance, shall be submitted by the applicant.
 - iv. The Director of Development Services may, on his/her own initiative, appeal the decision of the Commission by scheduling an appeal on the City Council's next regular meeting (for which there is time to include such appeal on its posted agenda as required by State law) that occurs after the Commission meeting at which the decision was made.
- (2) **Council Decision.** The City Council shall consider the appeal at a public meeting no later than thirty (30) calendar days after the date on which the notice of appeal is submitted to the Director of Development Services. The City Council may affirm, modify or reverse the decision of the Commission by simple majority vote. The decision of the City Council is final.

(l) **Expiration & Extension.**

- (1) Expiration. Relief granted on a vested rights petition shall expire on occurrence of one of the following events:
 - i. The applicant fails to submit a revised application that is consistent with the relief granted, if any, within sixty (60) calendar days following the final decision on the vested rights petition;
 - ii. The application for which relief was granted on the vested rights petition is denied; or
 - iii. The application for which relief was granted on the vested rights petition expires.
- (2) Extension. Extension of the date of expiration for the application for which relief was granted on a vested rights petition shall result in extension of the relief granted on the vested rights petition for the same time period.

Sec. 10.03.088ROUGH PROPORTIONALITY.

- (a) Notwithstanding anything in this Ordinance to the contrary, if the City requires as a condition of approval for a property development project that the developer bear a portion of the costs of municipal infrastructure improvements by the making of dedications, the payment of fees, or the payment of construction costs pursuant to this Ordinance, the developer's portion may not exceed the amount required for infrastructure improvements that are roughly proportionate to the proposed development as approved by a professional engineer retained by the City. Municipal infrastructure improvements have the meaning set forth in the TEXAS LOCAL GOVERNMENT CODE Section 212.904, as that term is interpreted by the Texas Attorney General and Texas courts.
- (b) The dedication or construction of an infrastructure improvement imposed by the City as a condition of plat or site plan approval in accordance with the City's adopted subdivision and development regulations shall be deemed to be the City's determination, upon the advice of a professional engineer duly licensed in this state and retained by the City, that such requirements, together with any impact fees due for the development, are roughly proportionate to the impacts created by the development on the City's municipal infrastructure.
- (c) A developer who disputes the determination made under subsection (b) above, may appeal to the City Council. Prior to filing the appeal, the developer shall notify the Director of Development Services, in writing, of the pending dispute. The Director shall send the developer their written response, reviewed and approved by the Engineering Division or other professional engineer on behalf of the City, to the proportionality issues raised by the developer and in so doing may revise the dedication or construction requirement(s) at issue. If the developer is not satisfied with the Engineering Division's response, they may file an appeal to the City Council with the City Secretary. At the appeal, the developer may present evidence and testimony under procedures adopted by the City Council.
- (d) The City may not require a developer to waive the right of appeal authorized by this section as a condition of approval for a development project.
- (e) For municipal infrastructure improvements for which the City has enacted impact fees, the measure of rough proportionality shall be the maximum impact fee per service unit then in effect for that category of infrastructure improvements, as may be amended from time to time, unless an alternative measure is approved by the Director of Engineering or his designee. To the extent that the impact fee charged against a new development, as may be amended from time to time, is less than the maximum impact fee per service unit, such difference is hereby declared to be founded on policies unrelated to measurement of the impacts of the new development on the City's infrastructure systems. The maximum impact fee per service unit may be used in evaluating any claim by a property owner that the dedication of land for right-of-way or construction of an infrastructure improvement within an impact fee service area, which is imposed as a condition of development approval pursuant to the City's subdivision or development

regulations, together with the imposition of an impact fee, is disproportionate to the impacts created by the development on the City's infrastructure system for that category of infrastructure improvements.

- (f) After hearing any testimony and reviewing the evidence, the City Council shall make its determination within thirty (30) days following the final submission of any testimony or evidence by the developer. The Council shall decide whether requirements imposed by this Ordinance is roughly proportional to the nature and extent of the development proposed. In reaching such determination, the Council shall take into account the information in the evidence supplied by the applicant, the measure of proportionality in Subsection (e) or any alternative measure proposed by the Director of Engineering or his designee, the total costs to the City for supplying infrastructure capacity to the proposed development and all developments associated with the original plat of which the proposed development is a part, and the extent to which requirements imposed by the City benefit the proposed development.
- (g) If the City Council finds that the requirement is not roughly proportional to the nature and extent of the development being proposed, it may take any of the following actions:
 - (1) Waive in whole or in part a dedication or construction requirement imposed by the City's development regulations and/or reduce the amount of impact fees due; or
 - (2) Direct that the City participate in the costs of acquiring or constructing such a municipal infrastructure improvement pursuant to standard participation policies; or
 - (3) Require some combination of such measures.

Sec. 10.03.089DORMANT PROJECTS.

- (a) **Definitions.** For purposes of this Chapter only:
 - (1) Initial permit means any of the following types of approvals granted under this Subdivision Ordinance, or any predecessor subdivision or development-related ordinance that was in effect prior to the adoption of this Ordinance: Preliminary Plat, construction plans, Construction Release, Variances to any requirement in this Subdivision Ordinance, or any other application that was approved subject to a schematic drawing illustrating the location, arrangement, orientation or design of development, lots or improvements on a site intended for development.
 - (2) Final permit means a Final Plat approved under this Subdivision Ordinance, or any predecessor subdivision or development-related ordinance that was in effect prior to the adoption of this Ordinance.
- (b) **Expiration of Permits.** Any application for an initial permit that was approved or filed before, but that was not subject to an expiration date, two (2) years prior to the adoption date of this Subdivision Ordinance shall expire on the effective date of this Subdivision Ordinance.
- (c) **Reinstatement.** The property owner of the land subject to an initial permit that expires under Section 10.03.089, *Dormant Projects*, may petition the Commission to reinstate such permit by filing a written petition within sixty (60) calendar days following the effective date of this Subdivision Ordinance. The petition shall clearly state the grounds for reinstatement, and shall be accompanied by documentation of one of the following:
 - (1) As of two (2) years prior to the effective date of this Subdivision Ordinance, one of the following events had occurred:
 - i. A final permit to continue toward completion of the project was submitted to the City for all or part of the land subject to the approved initial permit and was approved by the City, or was filed and was subsequently approved by the City;
 - ii. An application for a final permit to continue toward completion of the project was submitted to the City for all or part of the land subject to the expired initial permit, but such application

- was rejected on grounds of incompleteness consistent with State law.
- iii. Costs for development of the land subject to the initial permit, including costs associated with roadway, utility and other infrastructure facilities designed to serve the land in whole or in part, but exclusive of land acquisition costs, were incurred in the aggregate amount of five percent (5%) of the most recent appraised market value of the land;
 - iv. Fiscal security was posted with the City to guarantee performance of obligations required under this Subdivision Ordinance, including the construction of required improvements associated with the proposed development, for all or a part of the land subject to the approved initial permit; or
 - v. Utility connection fees or impact fees for all or part of the land subject to the approved initial permit were paid to the City.
- (2) After two (2) years prior to the adoption date of this Subdivision Ordinance, but before the expiration date specified in Section 10.03.089(b), *Expiration of Permits*, one of the following events had occurred:
- i. A final permit was approved for all or part of the land subject to the approved application, and remained in effect for such land on such expiration date; or
 - ii. A complete application for approval of a final permit for all or part of the land subject to the approved initial permit was pending for decision on such expiration date.
- (d) **Commission Action on Reinstatement.** The Commission may take one of the following actions:
- (1) Reinstatement the expired initial permit without an expiration date, if it finds that the applicant has met any of the criteria listed in Section 10.03.089(c), *Reinstatement*;
 - (2) Reinstatement the initial permit for all or part of the land subject thereto, if it finds that the applicant has met any of the criteria listed in Section 10.03.089(c), *Reinstatement*, subject to such expiration dates or other conditions that ensure that the remaining land that is not subject to an approved or pending final permit application will be developed in a timely fashion. In granting relief under this provision, the Commission may require that development of such remaining land is subject to standards enacted after approval of the initial permit;
 - (3) Deny the reinstatement petition, if it finds that the applicant has failed to meet any of the criteria in Section 10.03.089(c), *Reinstatement*, or
 - (4) Reinstatement the permit for only that part of the land subject to a pending final permit application, if it finds that the applicant has met the criteria in Section 10.03.089(c), *Reinstatement* and the pending application subsequently was approved, and deny the reinstatement petition for the remaining land subject to the expired initial permit.

ARTICLE 10.03.090AMENDMENTS; FEES; VIOLATIONS; CONFLICTS

Sec. 10.03.091TEXT AMENDMENTS.

The City may initiate changes to the Subdivision Ordinance ~~through a call for public hearing. Any case that considers amending the Subdivision Ordinance is considered during a public hearing by the~~ The Planning & Zoning Commission ~~shall not be required to review the proposed changes, but may, which will~~ make a recommendation ~~on the case to the City Council, if a review occurs. The City Council will conduct a public hearing, consider the any recommendation from the Commission's recommendation during a public hearing, review the proposed changes, and take action upon which the City Council will make a decision whether to direct staff to prepare an the proposed Ordinance~~ amendments to ~~ing the section(s) of~~ the Subdivision Ordinance.

Sec. 10.03.092FILING FEES & CHARGES.

- (a) **General.** Fees shall be paid to the City when any application authorized by this Ordinance is submitted to Development Services. Each of the fees, as provided in Section 10.03.092(c), *Calculations & Charges*, shall be paid in advance, and no action of the Commission, the City Council, or any other City board or commission shall be valid until all required fees have been paid. Fees paid for the review and consideration of plats and applications under this Ordinance are non-refundable.
- (b) **Consequence of Non-Payment of Fees.** Fees that are not paid within thirty (30) days of the date they are due shall cause any action or application to be null and void.
- (c) **Calculations & Charges.** Fees and charges shall be calculated in accordance with the following:
 - (1) All fees shall be as established by City ordinance, as amended.
 - (2) These fees shall be charged on all plats and applications authorized by this Ordinance, regardless of the action taken by the decision-making authority and whether the application is approved, denied, withdrawn, or otherwise closed.

ARTICLE 10.03.100 DEFINITIONS, USAGE AND INTERPRETATION

Sec. 10.03.101USAGE & INTERPRETATION.

- (a) **Usage.** The definitions within this Article 10.03.102 are intended to provide descriptions for words and terms used within this Subdivision Ordinance. Absent any conflict, words and terms used in this Subdivision Ordinance shall have the meanings ascribed thereto in this Article 10.03.101.
- (b) **Conflicts.** When words and terms are defined herein, and are also defined in other ordinance(s) of the City, they shall be read in harmony unless there exists an irreconcilable conflict, in which case the definition contained in Section 10.03.102 and subject to the terms of this Article shall control.
- (c) **Present & Past Tenses.** Words used in the present tense include the future; words in the singular number include the plural number, and words used in the plural number include the singular number.
- (d) **Usage of Shall & May.** The words shall and must are mandatory and not directory. The word may is directory and not mandatory.
- (e) **Words Not Defined.** For any definition not listed in this Article 10.03.112, the definition found within the latest edition of Webster's Dictionary shall be used.
- (f) **Certain Terms & Words.** Certain terms and words are to be used and interpreted as described and/or defined within the sections of this Subdivision Ordinance wherein they apply to certain regulations.
- (g) **Words of Gender.** Words of masculine gender shall include the feminine gender and vice versa.

Sec. 10.03.102DEFINITIONS.

The following definitions shall apply to terms and words used within this Subdivision Ordinance:

100-Year Hazard Setback. An erosion hazard setback is to reduce the potential for any damage to a private lot or street right-of-way caused by the erosion of a stream bank. The erosion hazard setback shall be determined as follows: for stream banks composed of material other than rock, locate the toe of the natural stream bank and project a 4:1 line sloping away from the bank until it intersects finished grade. From this intersection, add fifteen (15) feet away from the bank. This shall be the limit of the erosion hazard setback.

100-Year Floodplain. 100-Year Floodplain is defined as a flood having a one percent (1%) chance of being equaled or exceeded in any given year, based upon a fully developed watershed and the City's criteria to accommodate a 100-year storm in a Major Creek (<http://www.celina-tx.gov/DocumentCenter/View/1416>).

Abutting. Also defined as adjacent, adjoining and contiguous to. It may also mean having a lot line in common with a right-of-way or easement, or with a physical improvement such as a street, waterline, park, or open space.

Access. A means to enter a property or the ability to traverse a property (such as in the use of a mutual access easement).

Acreage, Gross. Means the total acreage included within the boundary line of a particular subdivision, tract, parcel, lot, etc. without any exclusions.

Acreage, Net. Means the acreage included within the boundary line of a particular subdivision, tract, parcel, lot, etc., but excluding all public ways.

Alley. A minor right-of-way, generally dedicated to public use, which affords a secondary means of vehicular access to the back or side of properties otherwise abutting a street, and which may be used for utility service purposes.

Amending Plat. See *Plat, Amending*.

Amenity. Aesthetic or other physical improvements added to a development that increase its quality, desirability, and/or marketability to the public, and that are described within Section 10.03.079(c)(1), *Elements requiring a*

HOA, of this Ordinance.

Appeal. A request for review of and relief from any decision applying a provision of this Ordinance.

Applicant. The person or entity responsible for the submission of an application. The applicant must be the actual owner of the property for which an application is submitted, or shall be a duly authorized representative of the property owner. Also, see *Developer*.

Application. The package of materials, including but not limited to an Application Form, exhibits, completed checklist, Tax Certificates or other proof of ownership, construction plans, special drawings or studies, and other informational materials, that is required by the City to initiate City review and approval of a development project.

Application, Complete. See *Complete Application*.

Application Form. The written form (as provided by and as may be amended by the City) that is filled out and executed by the Applicant and submitted to the City along with other required materials as a part of an application.

Approval. Approval constitutes a determination by the official, board, commission or City Council responsible for such determination that the application complies with the minimum provisions of this Ordinance. *NOTE:* Such approval does not constitute approval of the engineering or surveying contained in the plans, as the design engineer or surveyor that sealed the plans is responsible for the adequacy of such plans.

Arterial. A general term for a street or thoroughfare (see Street), which has a more specific meaning when used in conjunction with a class distinction, such as Major, Minor, Type A, Type B, etc. Each class provides a certain degree of continuity, capacity and accessibility to adjacent land uses.

Arterial, Major. A thoroughfare designed to accommodate cross-city traffic movement, distributing traffic to and from minor thoroughfares and collector streets. Major Thoroughfares are divided roadways that typically have an ultimate width of six lanes. Such streets shall also be as described within the *Engineering Design Standards*, and as shown on the Thoroughfare Plan Map. Also is referred to as "Type A-1."

Arterial, Minor. A thoroughfare designed to accommodate neighborhood-to-neighborhood (intra-city) traffic movement, distributing traffic to and from collector streets. Minor Thoroughfares are divided roadways that typically have an ultimate width of four (4) lanes with a median to accommodate turn lanes and landscaping. Such streets shall also be as described within the *Engineering Design Standards*, and as shown on the Thoroughfare Plan Map. Also is referred to as "Type B."

Block. A grouping of buildings that are partially or fully surrounded by one or more streets. Lots separated only by an alley are within the same block.

Building. Any structure intended for shelter, occupancy, housing or enclosure for persons, animals or property. When separated by dividing walls without openings, each portion of such structure so separated shall be deemed a separate building.

Building Line. A line parallel, or approximately parallel, to any front lot line at a specific distance therefrom, marking the minimum distance from the front lot line that a building may be erected.

Building Permit. An official certificate issued by the City through the Chief Building Official that indicates conformance with or approved conditional variance from City regulations and authorizes construction of buildings or other described construction on the premises for which it is issued.

Build-to Line. A parallel or approximately parallel line to any front property line at a specific distance determined by zoning district, marking the maximum distance from the front property line that a building may be erected. This distance is generally used in urban areas where wide sidewalks abut the building facades.

Building Official. The person so designated by the City Manager to provide oversight for and have responsibility of City of Celina Subdivision Ordinance – ~~September 10, 2019~~ October 13, 2020

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the Building Inspections; such official issues Building Permits and Certificates of Occupancy and enforces the Zoning Ordinance, Building Code, and any applicable provisions of this Subdivision Ordinance. This term shall also include any designee of the Building Official.

Centerline, Streets or Alleys. An imaginary line erected midway between the bounding right-of-way lines of a street or alley. Where the bounding right-of-way lines are irregular, the centerline is to be determined by the Director of Engineering.

Certificate of Occupancy. An official certificate issued by the City through the Chief Building Official that indicates conformance with or approved conditional variance from City regulations and authorizes legal use of the premises for which it is issued; may be referred to as an Occupancy Permit.

Certified Land Division. A map, drawing or chart delineating parcels of land offered for rent or lease for other than agricultural uses and which: is not required by state statute to be filed in the map and plat records of the county; does not involve or require the dedication of public streets or alleys; and has been certified by the City Council as having met the conditions of this chapter. A certified land division shall be treated as a subdivision plat under these regulations, except that it is properly certified for filing with the City Secretary rather than the county clerk. In addition, a plat of the property indicating legal boundaries and any public dedications and easements shall be prepared, reviewed by staff, approved by the City Council, and filed with the Denton or Collin County Clerk.

City. The municipal corporation of the City of Celina, Texas.

City Attorney. The person(s) so designated by the City Council to provide oversight for and have legal responsibility for the City. This term shall also include any designee of the City Attorney.

City Council. The duly elected governing body of the City of Celina, Texas.

City Manager. The person so designated by the City Council, or the City Manager's designee.

City Official or Administrator. Any person, elective or appointive, or any employee, or any board or commission authorized or constituted by City ordinance or state law to act on behalf of the municipality.

Code. Shall mean the entire City of Celina's Code of Ordinances.

Commencement. The date of the official start of the development of the project – usually considered at the initial disturbance of soils.

Commission. The Planning & Zoning Commission of the City of Celina. See *Planning & Zoning Commission*.

Comprehensive Plan. The City's officially adopted *Comprehensive Plan* which includes policies, in written and graphic form, on (but not limited to) thoroughfares, land use, parks, open space, hike and bicycle trails, and other facets of the City's physical form; such policies govern the future development of the City and consist of various components governing specific geographic areas, functions, and services of the City.

Construction Plans. The drawings and technical specifications that conform to this Ordinance and all other applicable ordinances of the City. Construction plans, including bid documents, contract conditions, and escrow agreements, where applicable, provide a graphic and written description of the character and scope of the work to be performed in construction of a development.

Construction Release. Official authorization by the City, through the Director of Engineering, that indicates conformance with City regulations and authorizes construction of improvements or other described construction, in conformance with approved construction plans, on the premises for which it is given.

Crosswalk. A public right-of-way, four (4) feet or more in width between property lines, which provides pedestrian circulations.

Day, Business. Shall be defined as Monday through Friday, excluding City-recognized holidays.

Day, Calendar. Each day of a particular calendar year.

Dead End Street. A street, other than a cul-de-sac, with only one (1) outlet.

Deed Restriction. A limitation on the use of land set forth or referred to in the title deed of such land. Such limitations run with the land and are binding upon present and subsequent owners of the land. Deed restrictions are not enforced by the City.

Developer. A person or entity, limited to the property owner or duly authorized representative thereof, who proposes to undertake or undertakes the division or improvement of land and/or other activities covered by this Subdivision Ordinance so as to constitute a *subdivision*, including the preparation of a plat showing the layout of the land and the public improvements involved therein. The word *developer* is intended to include the terms *subdivider*, *property owner*, and, when submitting platting documents, *applicant*.

Development. Any activities related to the platting or physical subdivision of land including the construction, reconstruction, conversion, or enlargement of buildings or structures; the construction of impervious surfaces (e.g., parking lots); the installation of utilities, roadways, drainage facilities or other infrastructure; or any disturbance of the surface or subsurface of the land in preparation for such construction activities, including grading, drainage, storage, paving, clearing, filling, and/or removal of vegetation or soil, and any mining, dredging, excavation or drilling operations.

Development Agreement. A legally binding document authorized and in accordance with Section 212.172 of the TEXAS LOCAL GOVERNMENT CODE between the City and a property owner whenever public improvements to serve a development are deferred until after Final Plat approval and recordation. Such document outlines the developer's acknowledged responsibility to complete and warranty improvements and to provide financial security for such improvements.

Development Application. An application for any type of plat or construction plan/drawing authorized or addressed by this Subdivision Ordinance. Also may be referred to as a *permit* within the TEXAS LOCAL GOVERNMENT CODE, CHAPTER 245.

Director of Development Services. The person so designated by the City Manager to provide oversight for and have responsibility of the Development Services Department. As used for responsibility and review purposes within this Subdivision Ordinance, this term shall also include any designee of the Director of Development Services.

Director of Engineering. The person so designated by the City Manager to provide oversight for and have responsibility of the Engineering Department. As used for responsibility and review purposes within this Subdivision Ordinance, this term shall also include any designee of the Director of Engineering.

Director of Parks & Recreation. The person so designated by the City Manager to provide oversight for and have responsibility of the Parks & Recreation Department. As used for responsibility and review purposes within this Subdivision Ordinance, this term shall also include any designee of the Director of Parks & Recreation.

Director of Planning. The person so designated by the City Manager to provide oversight for and have responsibility of the Planning Department. As used for responsibility and review purposes within this Subdivision Ordinance, this term shall also include any designee of the Director of Planning.

Driveway. A paved entranceway serving primarily vehicles that allows for access to a lot or facility, and is intended for vehicular movements between the roadway and any portion outside the street right-of-way.

Dwelling Unit. Any building, structure or mobile home, or part thereof, which is designed, used or intended to be used for human occupancy as the living quarters, of one housekeeping unit or family.

Easement. A specific right in a particular area of real property that exists because of an express or implied agreement between the landowner and another party that grants the right to use or access the land area, but not ownership.

Engineer. A person who has been duly licensed by the Texas Board of Professional Engineers to engage in the practice of engineering in the State of Texas. (Also known as *Professional Engineer, Registered Engineer, Registered Professional Engineer, or Licensed Engineer.*)

Engineering Design Standards. A document adopted by the City that is intended to establish standards for the design and construction of public facilities within the City of Celina.

Entry Turnaround. An esplanade opening or other accommodation provided at the entrance to a private street development in order to allow vehicles denied access to reenter the public street with a forward motion without unduly disturbing other vehicles at the entrance.

Erosion Hazard Setback. A defined area adjacent to a stream on which development is prohibited due to significant hazards associated with a flood situation unless major channel stabilization has occurred.

ETJ. See *Extraterritorial Jurisdiction*.

Exemption. A specified reason why a particular development is not subject to the requirements to plat or to a specific provision of this Ordinance.

Extraterritorial Jurisdiction (ETJ). The unincorporated area, not a part of any other municipality, which is contiguous to the corporate limits of the City, the outer limits of which are measured from the extremities of the corporate limits of the City outward for the distance as stipulated in CHAPTER 42 OF THE TEXAS LOCAL GOVERNMENT CODE, according to the population of the City, and in which area the City may regulate subdivisions and enjoin violation of provisions of this Subdivision Ordinance.

Facilities. Infrastructure and other structures that support a development including, but not limited to, water distribution lines, sanitary sewer collection lines, storm sewer lines and other storm water management devices, thoroughfares, sidewalks, private utilities, etc.

File/Filed/Filing. See *Official Filing Date and Submission*.

Fire Chief. The person so designated by the City Manager to provide oversight for and have responsibility of the Fire Department. As used for responsibility and review purposes within this Subdivision Ordinance, this term shall also include any designee of the Fire Chief.

Fire Lane. See definition in the City's adopted Fire Code.

Green Belt. An open space area consisting primarily of natural features that may be located in a floodplain or along a creek channel, be used as a buffer between land uses, or be used as an open space linkage between various land uses.

Habitat Study. A completed research project that gathers and compiles information pertinent to the natural habitat for threatened or endangered species and habitats used for nesting birds listed in the Migratory Bird Treaty Act.

Hike & Bike Trail. A paved and maintained pathway for pedestrians and bikers that serves as a linkage for access to recreational and educational areas and facilities.

Homeowners Association (HOA). A community association that is organized within a development in which individual owners share common interests and responsibilities for open space, landscaping, amenities or facilities, and which operates under recorded land agreements. This term also includes Property Owners' Associations (POAs) and Property Management Corporations (PMCs) which are more typically formed for multi-family and

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nonresidential developments.

Improvement. Any man-made fixed item that becomes part of or placed upon real property.

Improvement, Public. Any improvement, facility or service together with its associated public site, right-of-way or easement necessary to provide transportation, storm drainage, public or private utilities, parks or recreational, energy or similar essential public services and facilities, for which the City ultimately assumes the responsibility, upon a Letter of Final Acceptance being issued, for maintenance, operation and/or ownership.

Infrastructure. Facilities and services needed to sustain industrial, residential, commercial and all other land use activities. The term infrastructure includes but is not limited to water, sewer lines, and other utilities, streets and roads, communications, and public facilities, such as fire houses, civic buildings, parks, and schools.

ISWM. The acronym for integrated Storm Water Management, which is a guide for the construction and design of developments. This guide is intended to help mitigate the impact of developments on storm water runoff by considering such runoff during early site planning and design phases and was created by the North Central Texas Council of Governments (NCTCOG).

Landscape Buffer. An area of permanent vegetation that is adjacent to a residential subdivision, non-residential property, vacant land, but not thoroughfare.

Land Planner. Any person skilled in the art and science of arranging and designing the layout of land so as to create adequate and desirable building sites, a coordinated street system, and space appropriate to the efficient removal of stormwater and the provision of public services and utilities, all consistent with long range goals and the objectives of the *Comprehensive Plan*. A land planner may be trained in any of several specialties; and, where appropriate to his experience, the term may include architects, engineers, landscape architects, and surveyors.

Land Preparation. Means any grading, site work, filling, alterations to the elevation, tree removal, utility extensions or work, or other activity that lends itself to making land more development ready or augments its natural state.

Lot. An undivided tract or parcel of land that is or may be offered for sale, conveyance, or improvement and is occupied or intended to be occupied by a building or group of buildings. A lot has its principal frontage on a public street or on an officially approved private street, as shown on a plat of record or described by metes and bounds.

Lot Depth. The horizontal distance measured perpendicularly between two (2) points on the front lot line and two (2) points on the rear lot line which creates an area that meets (or exceeds) the zoning district's minimum width and depth requirements. Lot depth shall not include easements that are located behind the front building line that impair the use of the lot surface as a yard.

Lot Frontage. That dimension of a lot or portion of a lot abutting on a street, excluding the side dimension of a corner lot.

Lot Lines. The lines bounding a lot as defined herein. May also be referred to as a *Property Line*.

Lot Line, Front. The narrower side of the lot abutting a street. Where two (2) lot lines abutting streets are of equal length, the owner shall have a choice in designating which shall be designated as the *Front Lot Line*, and therefore the lot frontage. For a lot which has a boundary line which does not abut the front street line, is not a rear lot line and lies along the same general directional orientation as the front and rear lot lines, said line shall be considered a front lot line in establishing minimum setback lines. (see Zoning Ordinance, Appendix A, Illustrations).

Lot Line, Rear. The lot line farthest from and most parallel to the front lot line. For triangular lots, the point opposite the front lot line shall be considered the rear lot line and have a value of zero. (see Zoning Ordinance,

Appendix A, Illustrations).

Lot Line, Side. Any lot line not the front or rear lot line.

Lot of Record. A lot which is part of a subdivision, the plat of which has been recorded in the office of the County Clerk of Denton or Collin County or a lot subdivided by metes and bounds description prior to February 1984.

Lot Width. The horizontal distance measured between side lot lines parallel to the front lot line, and measured from the point on the building line that is closest to the front lot line.

Lot, Corner. A lot which has at least two (2) adjacent sides abutting for their full lengths on a street, provided that the interior angle at the intersection of such two (2) sides is less than one hundred thirty-five degrees (135°).

Lot, Double Frontage. A lot having a frontage on two (2) non-intersecting streets, as distinguished from a corner lot.

Lot, Flag. A lot having access to a street by means of a parcel of land having a depth greater than its frontage, and having a width less than the minimum required lot width. May also be referred to as a Panhandle Lot.

Lot, Interior. A lot other than a corner lot.

Lot, Key. A corner lot that is designed such that the lots located directly behind it face the side street of the corner lot and are not separated by an alley.

Major Arterial. See *Arterial, Major*.

Maximum. For the purposes of this Ordinance, “the maximum” is the amount that is the upper limit allowed by this ordinance less than the maximum may be allowed, unless otherwise specified.

Metes and Bounds. A method of describing the boundaries of land by directions and distances from a known point of reference.

Minimum. For the purposes of this Ordinance, “the minimum” is the amount that is the least amount required of a developer but more than the minimum may be provided, unless otherwise specified.

Minor Modification. A minor change to the standards, but not the intent, of this Subdivision Ordinance, which involves Director’s approval unless otherwise noted.

Mobile Home Park. A tract of land designed, used or intended for the renting or leasing, but not sales, of sites for the location, occupancy, or accommodation of one or more mobile home dwellings.

MS4. The acronym for the City’s Municipal Separate Storm Sewer System.

Official Filing Date. Defined as the date on which the plat has met all the requirements of the Subdivision Ordinance following staff or administrative review, fees have been paid, and that plat is scheduled for final approval by the Planning & Zoning Commission by placement on the Commission agenda.

Off-Site (also known as “off-premises”). Any premises not located within the area of the property to be subdivided, whether or not in common ownership with the applicant submitting an application.

Open Space. Any land parcel or natural area that is set aside, dedicated, designated or reserved for public use and enjoyment, or for private use and enjoyment of owners and occupants of the land adjoining or neighboring such open space area. [–Open space typologies for residential developments are described in the Celina Neighborhood Vision Book.](#)

Ordinance (also referred to as “this Ordinance”). Refers to this Subdivision Ordinance of the City, as may be amended in the future.

Park. An area developed for active or passive play and recreation that includes open space, sports courts or fields, play equipment, and trails.

Park, Community. A park of approximately ~~40 to 100~~ 50 to 75 acres, serving an area two (2) ~~to three (3)~~ miles in diameter, serving a population of approximately 20,000 persons and encompassing the service areas of four or more ~~neighborhood-school~~ parks. Community parks may typically contain lighted athletic facilities for more active play purposes, such as ball fields for football, softball, baseball and soccer, and a recreation center or swimming pool. These parks may be located adjacent to existing or proposed greenbelt areas and proposed junior and senior high school sites.

Park, Neighborhood School. A park of approximately 10 to ~~20-25~~ acres, serving an area one ~~half mile (1) to two (2) miles~~ in diameter and serving a population of approximately ~~520,000~~ persons. ~~Neighborhood-School~~ parks should be designed to service a specific neighborhood area and may include playground apparatus and other space for active recreational purposes, along with some areas for passive use. ~~Whenever possible, neighborhood parks should be located adjacent to existing or proposed greenbelt areas and proposed elementary school sites. School parks should be located adjacent to elementary and/or junior high school sites, and existing or proposed greenbelt areas whenever possible.~~

Parks, Recreation, and Open Space Master Plan. The City's officially adopted Plan that includes policies in graphic and text form; such policies govern the future development of the City's park system, open space, and recreation programs, including the hike-and-bike trail system.

Parks, Regional. ~~A park of approximately 75 to 100 or more acres, serving an area of at least 2 miles in diameter and serving a population of approximately 10,000 persons. Regional parks should be located adjacent to preserved natural resources, such as creeks, woodlands and/or native grasslands. Regional parks may include paved and unpaved trails, parking, amphitheaters, playgrounds and open space.~~

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Pavement Width. The portion of a street available for vehicular traffic. Where curbs are paved, it is the portion between the face of the curbs.

Pedestrian Access. A specifically designated place, path, means, or way by which pedestrians shall be provided safe, adequate, and usable circulation through the interior of a property or development.

Permit. A license, certificate, approval, registration, consent, permit, contract or other agreement for the construction or provision of service from a utility owned, operated, or controlled by the City, or other form of authorization required by law, rule, regulation, order, or ordinance, which has been approved by the City, that a person or entity must obtain to perform an action or initiate, continue, or complete a project for which the permit is sought, and for which the application for the permit or information required to be submitted for consideration provides notice of the project to the City.

Person. Any individual, association, firm, corporation, governmental agency or political subdivision.

Planning & Zoning Commission (also referred to as the "Commission"). A decision-making body appointed by the City Council which is responsible for subdivision and plat approval, as permitted by State law, and which has any other authority conferred upon it by the City Charter, this Ordinance, or other regulations of the City.

Plat. A map, drawing or exhibit which shows the exact layout and proposed construction of a proposed development into one (1) or more lots, blocks, streets, parks, school sites, easements, alleys and/or any other elements as required by this Ordinance, including any engineering or construction standards for related improvements, and which conforms to all requirements of this Ordinance and any other applicable City ordinance, and which is subject to approval by the Planning & Zoning Commission, unless otherwise specified.

Plat, Amending. A map, drawing or exhibit that modifies a recorded final plat, record plat, or minor plat in

accordance with the provisions of this Chapter.

Plat, Conveyance. A map, drawing or exhibit which conforms to Section 10.03.032, *Conveyance Plats*, of this Subdivision Ordinance for the purpose of sale or conveyance. A conveyance plat may be the first step in the development of a project, especially if the project will be developed in phases and off-site easements need to be platted prior to the final platting of the entire tract.

Plat, Final. A map, drawing or exhibit which conforms to Section 10.03.034, *Final Plats*, of this Subdivision Ordinance and is submitted to the City for consideration for final approval by the Planning & Zoning Commission. The plat illustrates that the subdivision of land is consistent with all standards of this Subdivision Ordinance pertaining to the adequacy of public facilities and the installation of or provision for public improvements. Once approved, such plat is submitted to the County Clerk of Denton or Collin County for recording.

Plat, Minor. A map, drawing or exhibit dividing land into no more than four (4) lots that meets the submission and approval requirements of Section 10.03.035, *Minor Plats*, of this Ordinance. The Director of Development Services may approve such plat. Such plat is also considered a Final Plat.

Plat, Preliminary. A map, drawing or exhibit which conforms to Section 10.03.033, *Preliminary Plats*, of this Subdivision Ordinance and is submitted to the City for consideration for initial approval by the Planning & Zoning Commission. Such plat is not to be recorded, but illustrates the general layout of a proposed subdivision, the adequacy of public facilities needed to serve the proposed subdivision, and the overall compliance of the applicable requirements of this Ordinance. Such plat is reviewed and decided prior to approval of a Final Plat.

Plat, Replat. The re-subdivision of all or part or all of any block or blocks of a previously platted subdivision, addition, lot or tract, that is beyond the definition of an Amending Plat and which does not require the vacation of the entire preceding plat. Such plat also conforms to Section 10.03.036, *Replats*, of this Subdivision Ordinance. A Replat may function as a Final Plat for a property.

Progress (towards completion). Shall have the same meaning set forth in Section 245.005(c) of the TEXAS LOCAL GOVERNMENT CODE, as it exists or may be amended, unless another meaning is specified.

Project. An endeavor over which the City exerts its jurisdiction and for which more than one (1) permit is required to initiate, continue, or complete the endeavor.

Property Owner. The legally recognized proprietor of the land for which an application is being submitted. (Also, see *Developer*)

Property Owners Association. An organization similar to a Homeowners' Association that is established for the ownership, care, and maintenance of private streets and other private commercial facilities.

Public Improvement. See *Improvement, Public*.

Public Way. An officially approved, privately maintained street or roadway, constructed to City street standards, open to unrestricted and irrevocable public access, serving two (2) or more lots that provides the primary means of access and providing fire lane and utility easements.

Record Drawings. A group of drawings or plans that depicts the final configuration of the installed or constructed improvements of a development, improvements that have been verified by the contractor as their installation or construction occurs during development. The record drawings shall reflect the construction plans (or working drawings) used, corrected, and/or clarified in the field.

Residential Development. The actual or proposed use of land for one or more buildings or structures that are designed or intended to be used, in whole or in part, as dwelling units.

Responsible Official. The City staff person who has been designated by the City Manager to perform one or more

of the specific tasks (this term also includes designees).

Right-of-Way. A use of land dedicated by plat or metes and bounds to and for use by the public, which is separate and distinct from the lots and parcel abutting it, and which is not included within the dimensions or areas of such lots or parcels. The term *right-of-way* generally describes an area used for the provision of streets and utilities. Unless otherwise specified, the term *right-of-way* shall refer to a public right-of-way.

Riparian Study. An ecologically-based study that addresses the three (3) major components of a stream (channel, floodplain and transitional upland fringe).

Road, or Roadway. See *Street*.

Roadway Landscape Easement. An area of permanent vegetation that is adjacent to a thoroughfare that may include utility easements, sidewalks, and be crossed by drives providing ingress and egress.

Screening. A barrier intended to separate and limit visibility between that which is on either side of the barrier, for example, a thoroughfare and adjacent land uses.

Security Station (i.e. guard house). A building and gate system to control vehicular access to private street developments, which may be a mechanical device or a manned structure.

Sidewalk. A concrete walking surface of various widths intended primarily for pedestrian use.

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Stacking Area. A vehicle setback measured from a point on a building designed for drive-up service and the area assigned for queuing.

Street. A roadway for vehicular traffic and other public uses, whether designated a street, highway, thoroughfare, parkway, throughway, road, avenue, boulevard, lane, place or however otherwise designated. An alley is not considered a street.

Street, Centerline. An imaginary line designated midway between the bounding right-of-way lines of a street or alley.

Street, Collector (also feeder streets, secondary thoroughfares, etc.). A paved roadway that provides vehicular circulation within neighborhoods and from minor streets to major thoroughfares. Due to similarity of traffic volume and wheel loadings, streets through commercial and industrial areas are frequently constructed to the same design as collector streets.

Street, Cul-de-Sac. A roadway having but one outlet to another street, and terminated on the opposite end by a vehicular turn-around.

Street, Dead-End. A roadway, other than a cul-de-sac, with only one outlet.

Street, Improved. A roadway that has been constructed or reconstructed to meet the City's minimum standards regarding right-of-way width, pavement width, and/or pavement type, as defined in the *Engineering Design Standards*.

Street, Local Residential (also Minor Thoroughfares or streets, etc.). A paved roadway that is primarily used for providing direct vehicular access to abutting residential property.

Street, Local. A roadway that is intended to provide a high level of access to adjacent developments and, generally, a low level of mobility. Such streets shall also be as described within the *Comprehensive Plan* and *Engineering Design Standards*.

Street, Major Thoroughfare (also arterial streets, primary thoroughfares, etc.). A paved roadway that provides vehicular movement from one neighborhood to another, to distant points within the urban area or to freeways or highways leading to other communities.

Street, Mews. A mews street is a grassy, landscaped area on which houses or housing units may face in lieu of facing a paved street (See Section 10.03.073(f), *Mews Streets*, for regulations).

Street, Minor Thoroughfare. A paved roadway that is primarily used for providing through access from neighborhood to neighborhood or commercial areas.

Street, Private. A privately owned roadway within a subdivision for which the private owners assume full responsibility for maintenance and control and which has not been dedicated to the use of the public. This term is inclusive of related alleys.

Street, Stub. A roadway that has been designed to allow for the future extension of the street through subsequent subdivisions.

Street, Substandard. An existing street that does not meet the current minimum street standards of the City.

Street, Unimproved. A roadway that does not meet the City's minimum standards regarding right-of-way width, pavement width, and/or pavement type, as defined in the *Engineering Design Standards*. Most unimproved streets are former country roads that were built before an area was annexed into the City limits and/or before the City implemented thoroughfare design standards.

Subdivider or Developer. An individual, firm, association, syndicate, partnership, corporation, or other organization dividing or proposing to divide land, or making improvements to such land, so as to effect a subdivision of land.

Subdivision. The division of any lot, tract, or parcel of land into two or more lots or sites for the purpose of sale or of building development, whether immediate or future. The term includes resubdivision or replatting of an existing subdivision, building upon, or other development of land, but does not include the division of land into tracts where each resulting lot is more than five acres in size; does not involve or require any new street, alley or easement of access; and no public improvement is being dedicated. As part of a subdivision, if any lot is proposed to be five acres in area or smaller, the entire parent tract must be platted together with such other lots or tracts. When appropriate to context, the term subdivision shall relate to the process of subdividing or to the land subdivided.

Substandard. A condition of a road or other public improvement that does not meet the City's current right-of-way, design, capacity or construction standards.

Surety. A bond, letter of credit, or letter of financial guarantee from a financial institution authorized to operate in the State of Texas.

Surveyor. A person who practices the profession of surveying and is licensed by the State of Texas as a State Land Surveyor or a Registered Public Surveyor.

TCEQ. The acronym for the Texas Commission on Environmental Quality.

Thoroughfare Plan Map. A component of the *Master Thoroughfare Plan* that generally represents the proposed grid-system of major and minor thoroughfares that will support the *Future Land Use Plan*. The exact locations of future roadways cannot be determined without engineering and environmental analysis, but the Map should be used as a guide as development occurs in terms of how connections should be made and by what type of thoroughfare. The Thoroughfare Plan Map also shows existing railroads and proposed transit rail stations.

Tributary. A riparian branch that feeds (i.e., flows into) a Major Creek, as identified and defined in the City's Riparian Study, as amended.

TxDOT: The acronym for the Texas Department of Transportation.

Utility Easement. An easement dedicated to the public for access, construction, reconstruction, and

maintenance to water lines, sanitary sewer lines, storm sewers, and those franchises granted permission by the City, utility district, or county to occupy the easement.

Utility, Private. Services, and any related facilities (e.g., distribution lines), not customarily provided by the City or public entities; such services generally include electricity, natural gas, and telecommunications.

Utility, Public. Services, and any related facilities (e.g., distribution lines), typically provided by the City, County, or publicly owned entity; such services include potable water distribution, wastewater collection, and storm water management.

Variance. An exception to a particular standard or requirement of the Subdivision Ordinance that is granted because compliance with the Ordinance requirements would substantially limit the applicant's ability to utilize the land in a manner requested and requires Board of Adjustment approval.

Vegetative Study. A study in which the main purpose is identification and consideration of unique vegetative communities that are important for conserving biotic diversity and are rare due to conversion to other land uses.

Violation. Any failure to comply fully with this Subdivision Ordinance.

Wetland Delineation Study. A study in which the main purposes are to determine jurisdictional wetlands and to ensure compliance with SEC. 404 OF THE CLEAN WATER ACT and other applicable regulations of the U.S. Army Corps of Engineers.

Wetland. An area that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

Zoning Ordinance. The City of Celina Zoning Ordinance.

Sec. 10.03.103COMMONLY USED ABBREVIATIONS.

BOA. Board of Adjustment

CA Factor. Coefficient of Run-Off and Drainage Area

CC. City Council

CCN. Certificates of Convenience and Necessity

CCRs. Conditions, Covenants, and Restrictions (limitations placed on homeowners by the subdivision itself)

DRC. Development Review Committee (made up of representatives of various City departments who review development applications.

ETJ. Extraterritorial Jurisdiction (the geographical area outside the city limits that the city is allowed to annex into the city limits – the distance from the city limit boundary is set by the state and relates to population)

GIS. Geographical Information Systems (mapping)

HOA. Homeowners' Association

MFF. Minimum Finished Floor Elevation (relates to floodplain)

NCTCOG. North Central Texas Council of Governments

P&Z. Planning & Zoning Commission

ROW. Right-of-Way (the paved roadway, grassy area adjacent to the roadway, and the center median)

TCEQ. Texas Commission on Environmental Quality

TIA. Traffic Impact Analysis (a study of the future impact of a particular set of circumstances, such as a new subdivision, on the entire traffic network)

UE. Utility easement

WME. Wall maintenance easement

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Table 10.03.111: Applications - Responsible Officials, Initial Decision-Makers, and Appeals

Type of Application or Petition	Approval Authority	Appeal
<u>Amending Plat</u> <i>Section 10.03.037</i>	Development Services Director	P&Z Commission
<u>Construction Plans</u> <i>Section 10.03.041</i>	n/a Staff	n/a
<u>Construction Plans, Extension</u> <i>Section 10.03.041(h)</i>	n/a	n/a
<u>Construction Release</u> <i>Section 10.03.041(i)</i>	n/a	n/a
<u>Conveyance Plat</u> <i>Section 10.03.032</i>	P&Z Commission	City Council
<u>Development Agreement</u> <i>Section 10.03.044</i>	City Council	n/a
<u>Final Plat</u> <i>Section 10.03.034</i>	P&Z Commission Staff	City Council P&Z
<u>Minor Plat</u> <i>Section 10.03.035</i>	Development Services Director	P&Z Commission
<u>Plat Vacation</u> <i>Section 10.03.038</i>	P&Z Commission	City Council
<u>Alley or ROW Vacation</u> <i>Section 10.03.039</i>	City Council	n/a
<u>Preliminary Plat</u> <i>Section 10.03.033</i>	P&Z Commission	City Council
<u>Preliminary Plat Approval, Extension</u> <i>Section 10.03.033(k)</i>	Development Services Director	n/a
<u>Replats</u> <i>Section 10.03.036</i>	P&Z Commission	City Council
<u>Variances to Subdivision Ordinance</u> <i>Section 10.03.086</i>	Board of Adjustment	Court of Record
<u>Minor Modifications to Subdivision Ordinance</u> <i>Section 10.03.086</i>	City Staff	Board of Adjustment
<u>Vested Rights Petition</u> <i>Section 10.03.087</i>	City Staff	City Council

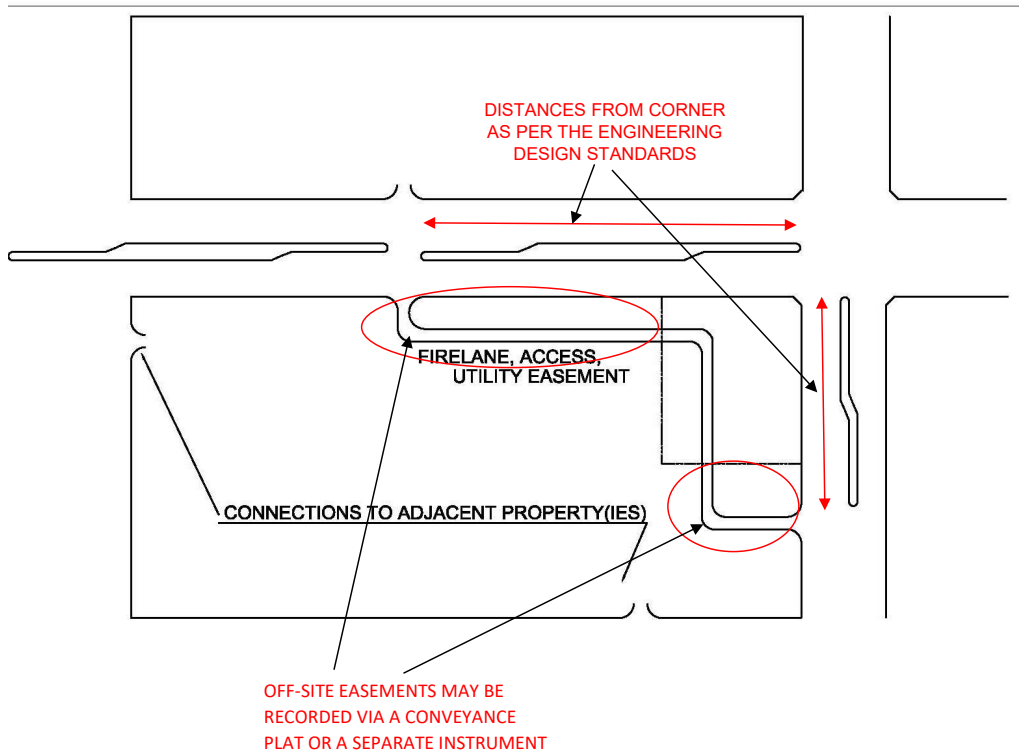
Diagram 10.03.112: Median & Cross Access

Diagram 10.03.113 - Flag Lots

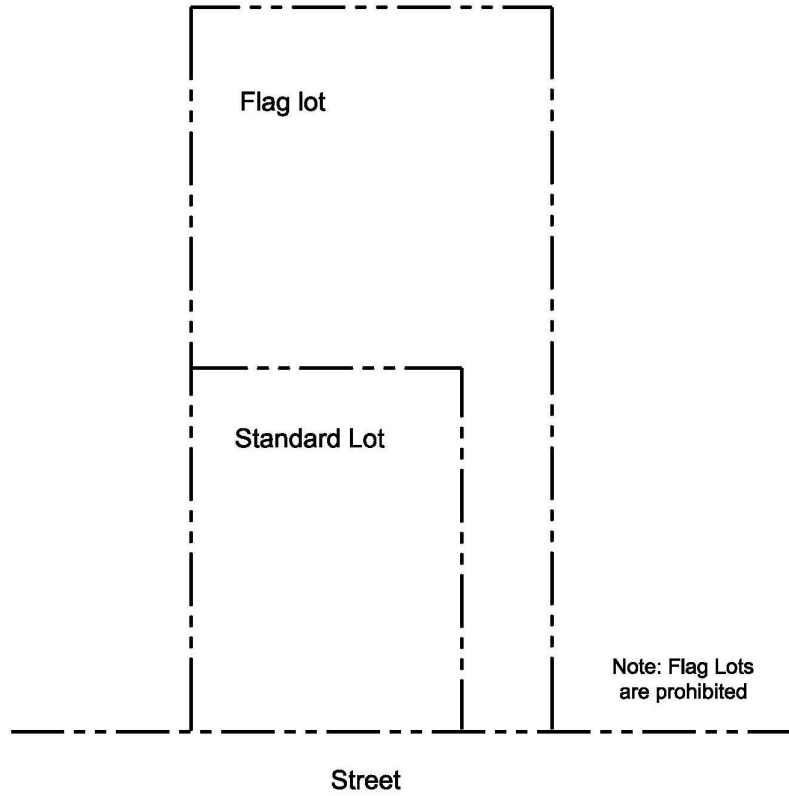


Diagram 10.03.114 - Determining Lot Depth on an Irregular-Shaped Lots

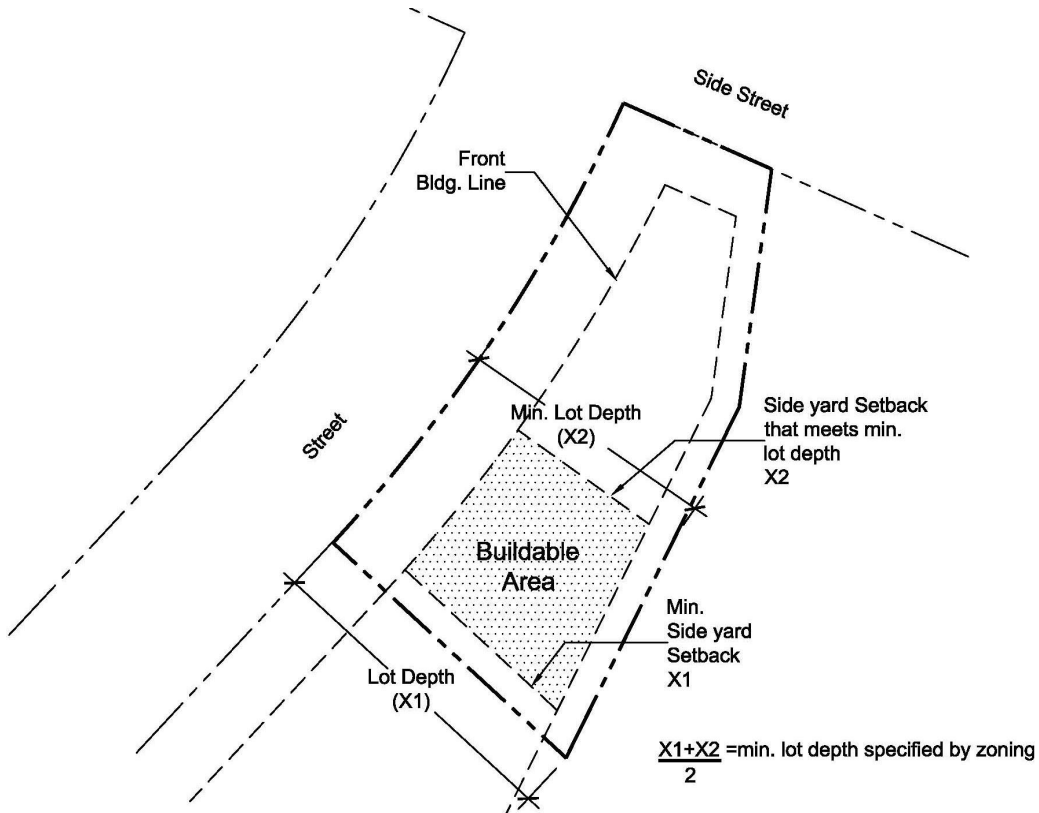


Diagram 10.03.115 - Lot Street Frontage – Curved Streets

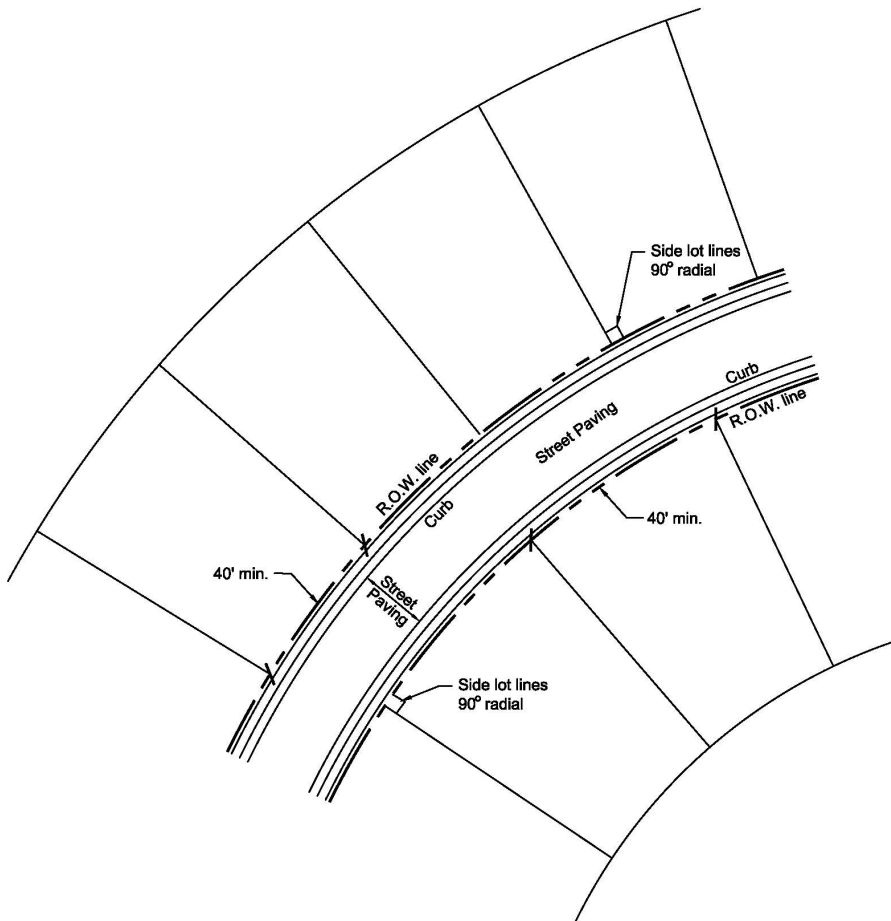


Diagram 10.03.116 – Lot Frontage - Cul-de-Sac Lots, Minimum Dimensions

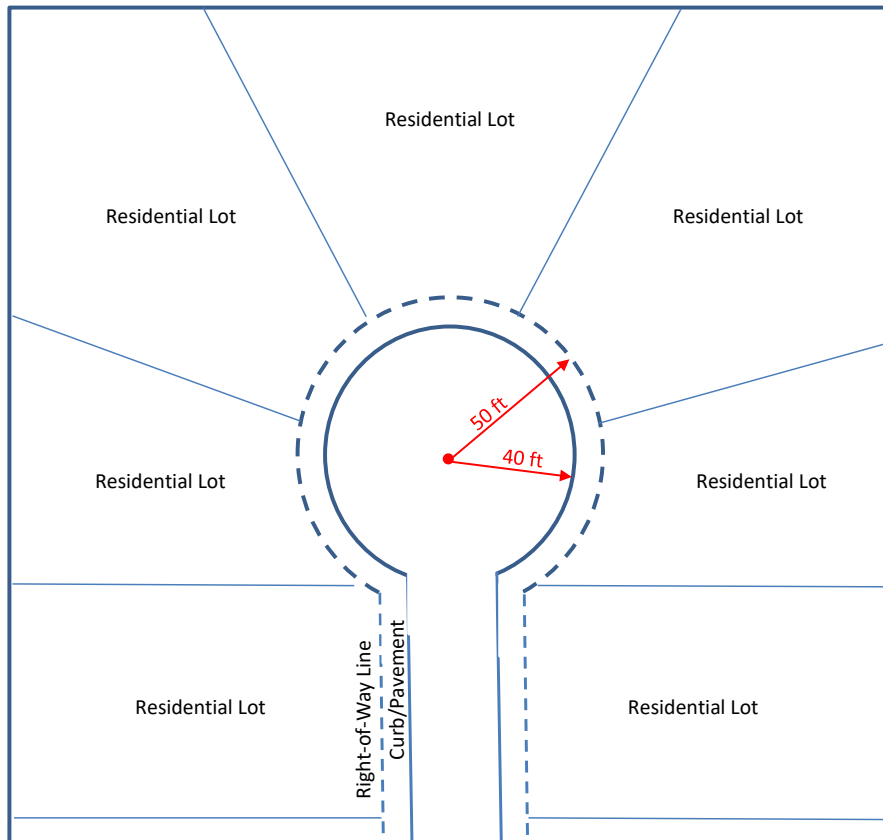


Diagram 10.03.117 - Centrally Located Amenity Center

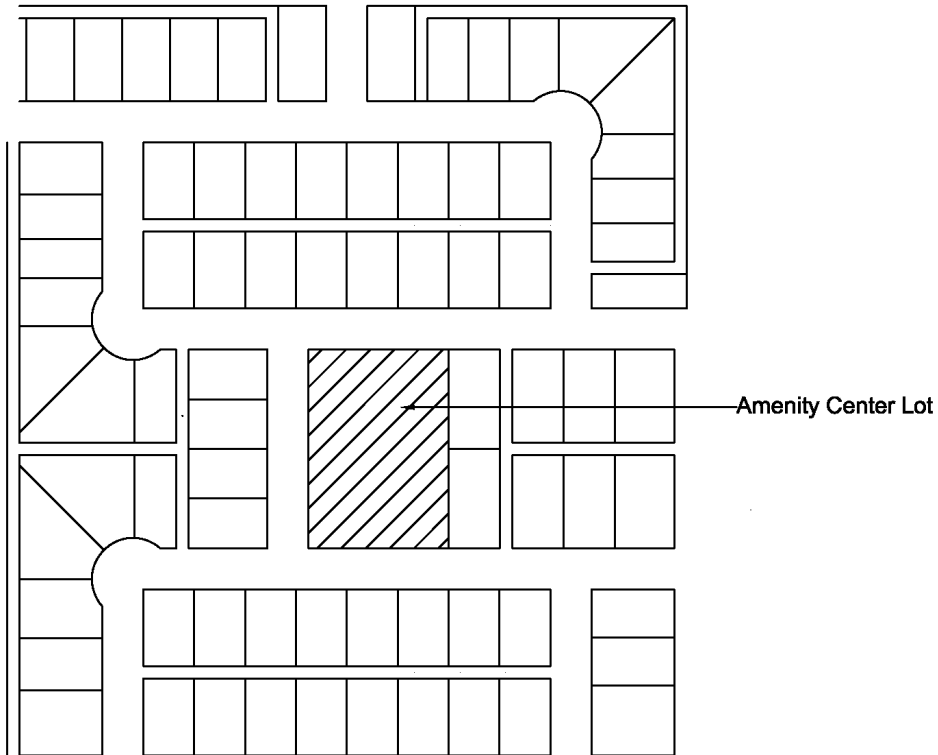
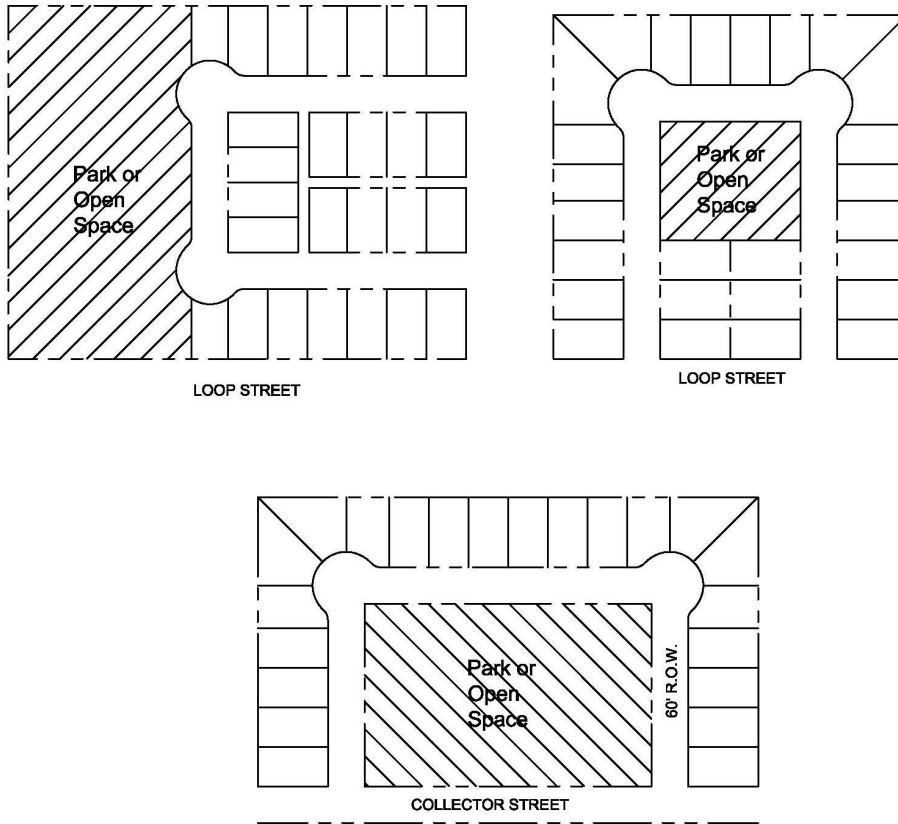


Diagram 10.03.118 - Access & Lot Orientation to Parks and/or Open Space





Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dusty McAfee AICP, Director of Development Services
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Code Enforcement (Part One of Two)

Action Requested:

Presentation regarding Code Enforcement (Part One of Two). (McAfee)

Supporting Documents:

- Staff Presentation

Staff Recommendation:

NA

Community Services

Part 1 of 2 (General Code Enforcement)

City Council – Work Session

September 8, 2020

Background

- The 2020 Community Survey included feedback regarding Code Enforcement and the high importance of protecting downtown
- Comments were also received during the budget presentation on July 31st
- Following is an over-view of our current operations and future programs

Community Services

The Community Services department includes the following areas of responsibility:

- Nuisance based code enforcement
- Health inspections
- Commercial property maintenance
- Community outreach & sustainability
- Special assignments / Animals liaison

Department Summary

- The department currently has 2 employees:
 - Mike Green (manager)
 - Bruce Koliba (health inspector)
- Mike has around 25 years municipal experience, is **1 of less than 50 nationally accredited code enforcement officers** in Texas, and has managed code, health, rental registration, and animals in the past
- Dusty has a CEO license as well

The Value

- Preventing neighborhood decline
- Enhanced curb appeal
- Protecting **property values**
- Opportunities for community outreach

Code Enforcement is simply asking for people to be good neighbors!

Preferred Process

- Personal contact (stop & knock)
- Understand problem or back story (humanize the situation; be empathetic)
- Establish timeline for **voluntary compliance** (opportunity to educate on regulations)
- Success = end result achieved via a respectful methodology

Alternative Process

- Although voluntary compliance is both preferred and the most common result, a formal legal process exists for property owners who **choose not to cooperate**
- Such processes involve citations, municipal court, and nuisance abatement
- State law has many compliance steps and regulations to protect property owners and the City

The Basics – Code Enforcement

- 3 pillars of nuisance: grass, trash, & vehicles



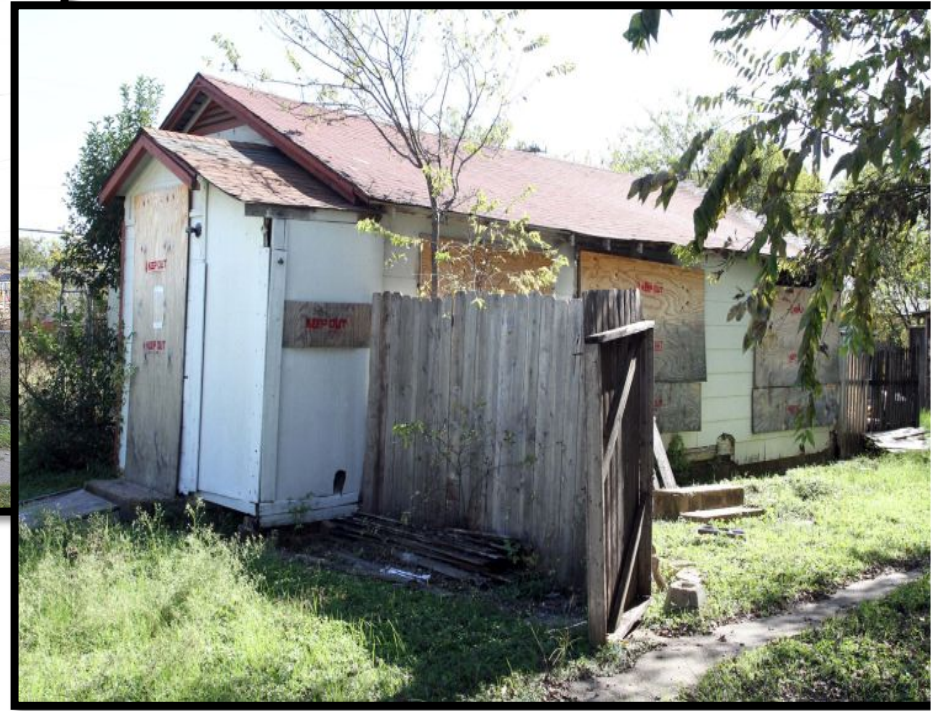
Attachment: Staff Presentation (Code Enforcement (Part One of Two))

The Basics – COSI

- Commercial Site Integrity - Landscape, hardscape, abandoned signage, & any other deferred maintenance



The Basics – Substandard Structure



Attachment: Staff Presentation (Code Enforcement (Part One of Two))

Substandard Structures

- State law heavily regulates the process
- Celina has all requisite regulations to enforce
- Requires an Abatement budget
- Very time consuming:
 - Board orders 30 days for permits & 90 days for completion
 - Extensions of work plans may be granted (fairly regular)
 - Results in repaired (i.e. safe) structure, or
 - Demolition

Next Steps

- City Council: 9-08-20 (work session 1 of 2)
- City Council: 10-13-20 (work session 2 of 2)
- City Council: November (any revised ordinances)
- Next month's discussion will introduce additional programs to assist with preventing neighborhood decline, protecting property values, and enhanced curb appeal



Life Connected.

**CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS
112 N. COLORADO ST.
TUESDAY, AUGUST 11, 2020
5:00 PM**

MINUTES

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

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

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

II. PLEDGE OF ALLEGIANCE/INVOCATION:

Mayor Terry led the pledges of allegiance. Pastor Ed Price with Cottage Hill First United Methodist Church gave the invocation.

III. PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:

A. Professional Engineers Day. (Glasgow)

Mayor Terry presented a proclamation of recognition to the city engineering staff and Chris Warfield Store Manager of Celina Brookshire Grocery #73.

IV. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

A. Introduction of new employees. (Stovall, Griggs)

Assistant City Manager Karla Stovall introduced Director of Marketing Donna Lynch. Assistant to the City Manager Drew Jenks introduced Management Assistant Lalaina Alvarez.

B. 2020 Community Survey. (Nusser)

Abra Nusser with Kimley Horn summarized results of the 2020 Community Survey.

C. Discussion regarding any and/or all agenda items.

Minutes Acceptance: Minutes of Aug 11, 2020 5:00 PM (Minutes Approval)

No other items were discussed.

D. Staff Reports

V. **OPEN FORUM:**

Those speaking in reference to future annexation agreement letters received:

Heather Hix, 9081 CR 133, asked what happens if they don't sign the future annexation agreement and said she was looking for more information.

Douglas Cobb, 9699 CR 132, asked what is the city's intention and what is the timeframe?

John Huse, 9107 CR 133, asked if they could still build on their property with this agreement and stated that they want to stay as they are and don't want to be annexed into the city.

Michael Herbert, 8601 CR 134, said when he received the letter he thought it was a threat. He asked if the city will continue to be open and transparent, can the relationship continue as it is, and is the driving force keeping out certain (undesirable) things?

Kathy Pearce, 2424 PR 5674, was concerned with the contents of the letter and said they moved to Celina to live in the country and asked if 20 to 25 years is a more realistic goal?

Dale Bainum, 3541 Heritage Trail, said he would like to know the city's strategies for these annexations and would like the city to be more forward and communicate on the budget.

Police Officer Chase Guidera read a letter of thanks to the community, city and command staff for their support during these times of political unrest related to police departments.

Police Officer Tim Hale echoed the thanks to city council and community stated by Officer Guidera, and was appreciative of the leadership, dignity and respect with which the department operates under Chief Griggs and command staff.

VI. **EXECUTIVE SESSION:**

The Celina City Council adjourned into Executive Session at 5:55 p.m. with City Manager Jason Laumer, City Attorney Lance Vanzant and Director of Economic Development Alexis Jackson (Item A).

The Celina City Council will convene into Executive Session pursuant to Texas Government Code 551.072, Deliberations Regarding Real Property, to deliberate the purchase, exchange, lease or value of real property, 551.087, Deliberation Regarding Economic Development Negotiation and 551.074 Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.

- A. Discussion regarding Economic Development project update. (Jackson)
- B. Discussion regarding purchase of a certain 187 acre tract for park and other municipal purposes.
- C. Discussion regarding City Manager's annual evaluation.

Reconvene Into Open Session

The City Council reconvened into Open Session at 7:05 p.m.

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

Item B-Councilman Hopkins moved to authorize the City Manager to acquire property under the terms discussed in Executive Session. Justin Steiner seconded. Motion carried. 6-yes;0-no.

Item C-Councilman Hopkins moved to approve the City Manager's annual evaluation as discussed in Executive Session. Justin Steiner seconded. Motion carried. 6-yes;0-no.

VII. **CONSENT AGENDA:**

Minutes Acceptance: Minutes of Aug 11, 2020 5:00 PM (Minutes Approval)

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

A. Minutes Approval:

1. City Council - Regular Meeting - Jul 14, 2020 5:00 PM
2. City Council - Special Meeting and Worksession - Jul 31, 2020 9:00 AM

B. Consider and act upon approval of a Joint General Election Contract for election services by and among the City of Celina, Collin County Elections Administrator, and political subdivisions of Collin County, and a Joint General Election Agreement by and among the City of Celina, Denton County Elections Administrator and political subdivisions of Denton County. (Tarrant)

C. Consider and act to amend the 2019-2021 EDC Budget. (Jackson)
(2020-46R)

D. Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Celina Real Estate LP for economic incentive funding under Chapter 380 of the Texas Local Government Code. (Buff City Soap – DIP) (Barton)

E. Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Three Five Capital, LLC for economic incentive funding under Chapter 380 of the Texas Local Government Code. (Three Five Capital DA) (Mohan)

F. Consider and act upon an ordinance amending the City's Code of Ordinances, Chapter 3: Building Regulations, Article 3.07: Signs. (Sign Ordinance Amendment) (McAfee)
(2020-52)

G. Consider and act upon an ordinance amending the City's Code of Ordinances, Chapter 8: Offenses and Nuisances, Article 8.04: Noise. (Noise Ordinance (Construction Activity) Amendment) (McAfee)
(2020-53)

H. Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 149 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of FM 1385 and Punk Carter Parkway. (Edgewood Commercial - Annexation Service Plan) (Mohan)

I. Consider and act upon a request for an amendment to Sutton Fields Development Agreement; generally located at the northeast corner of FM 1385 and Parvin Road. (Sutton Fields Land Plan - DA Amendment) (Mohan)

Minutes Acceptance: Minutes of Aug 11, 2020 5:00 PM (Minutes Approval)

- J. Consider and act upon a resolution of the City of Celina, Texas determining the costs of NIA #3 improvements to be financed by the Wells South Public Improvement District; approving an updated preliminary amended and restated service plan and assessment plan, including a proposed NIA #3 assessment roll; directing the filing of the proposed NIA #3 assessment roll with the City Secretary; providing for noticing and calling a public hearing for September 8, 2020 to consider an ordinance levying assessments on property located within Neighborhood Improvement Area #3 of the Wells South Public Improvement District. (Wells South NIA#3-PID – Pre-SAP) (Pouladi)

(2020-47R)

- K. Consider and act upon a resolution of the City of Celina, Texas determining the costs of NIA #5A improvements to be financed by the Sutton Fields Public II Improvement District; approving an updated preliminary amended and restated service plan and assessment plan, including a proposed NIA#5A assessment roll; directing the filing of the proposed NIA#5A assessment roll with the City Secretary; providing for noticing and calling a public hearing for September 8, 2020 to consider an ordinance levying assessments on property located within Neighborhood Improvement Area #5A of the Sutton Fields II Public Improvement District. (Sutton Fields NIA#5A- PID – Pre-SAP) (Pouladi)

(2020-48R)

- L. Authorize the City Manager to enter into an agreements by and between the City of Celina and Freese and Nichols, Inc for the Traditions Trail Flood Study for \$44,000 (Brawner)
- M. Consider and act upon a Development Agreement on roadway improvements to County Road 53. (Martin Marietta Development Agreement) (Glasgow)
- N. Consider and act to authorize the City Manager to execute a agreement for installation of synthetic turf from Masters of Turf USA, LLC through an interlocal agreement with Sourcewell, contract 060518-SII in an amount not to exceed \$90,541.25 plus ten percent contingency in the amount of \$9,054.13 for a total amount of \$99,595.38. (Berry)
- O. Consider and Act to Authorize the City Manager to enter into an Agreement to provide Engineering and GIS services for Denton County Freshwater District #10 in the amount of \$145,800 (Brawner)
- P. Consider and act to authorize City Manager to negotiate contingency terms and to enter into an agreement with McMahon Contracting, LP. for construction services of Choate Parkway Improvements \$3,169,245.94 plus ten percent contingency \$316,924.59 for a total not to exceed. \$3,486,170.53. (Berry)
- Q. Consider and act to authorize an agreement for engineering services for the design of a roundabout at the intersection of Coit Road (CR 90) and Sunset Blvd (CR 91) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$139,500. (Berry)
- R. Consider and act on the 2020-21 annual service plan update for the Lakes at Mustang Ranch Public Improvement District. (Jenks)
- S. Consider and act on the 2020-21 annual service plan update for the Sutton Fields II Public Improvement District. (Jenks)
- T. Consider and act on the 2020-21 annual service plan update for the Parks at Wilson Creek Public Improvement District. (Jenks)

Minutes Acceptance: Minutes of Aug 11, 2020 5:00 PM (Minutes Approval)

- U. Consider and act on the 2020-21 annual service plan update for the Wells South Public Improvement District. (Jenks)
- V. Consider and act on the 2020-21 annual service plan update for the Wells North Public Improvement District. (Jenks)
- W. Consider and act on the 2020-21 annual service plan update for the Ownsby Farms Public Improvement District. (Jenks)
- X. Consider and act on the 2020-21 annual service plan update for the Glen Crossing Public Improvement District. (Jenks)
- Y. Consider and act on the 2020-21 annual service plan update for the Chalk Hill Public Improvement District No. 2. (Jenks)
- Z. Consider and act on the 2020-21 annual service plan update for The Columns Public Improvement District. (Jenks)
- AA. Consider and act on the 2020-21 annual service plan update for the Cambridge Crossing Public Improvement District. (Jenks)
- AB. Consider and act on the 2020-21 annual service plan update for the Glen Crossing West Public Improvement District. (Jenks)
- AC. Consider and act to authorize City Manager to negotiate contingency terms and to enter into an agreement for Amendment 1 to the contract by and between the City of Celina and Half & Associates for Professional Services related to the Design of Choate Parkway between the Collin County Outer Loop and Kinship Parkway in an amount not to exceed \$58,391 and to ratify \$17,268.00 of the not to exceed amount. (Berry)
- AD. Consider and act upon an Interlocal Dispatch Services Agreement by and between the City of Celina and Collin County. (Griggs)
- AE. Consider and act on the 2020-21 annual service plan update for the Creeks of Legacy Public Improvement District. (Jenks)

VIII. PUBLIC HEARING/ACTION:

- A. The Celina City Council will conduct a public hearing, in accordance with Section 43.0751(d) of the Texas Local Government Code, to provide members of the public the opportunity to present testimony or evidence regarding the proposed Strategic Partnership Agreement between the City and the Collin County Municipal Utility District, No. 1 (the "District"), which agreement provides for the City's full purpose annexation of all land within the District and conversion of the District into a limited district, with such annexation and conversion not to occur before December 31, 2027. ON THE FULL-PURPOSE ANNEXATION CONVERSION DATE, THE LAND INCLUDED WITHIN THE BOUNDARIES OF THE DISTRICT SHALL BE DEEMED TO BE WITHIN THE FULL-PURPOSE BOUNDARY LIMITS OF THE CITY WITHOUT THE NEED FOR FURTHER ACTION BY THE CITY COUNCIL OF THE CITY, INCLUDING ISSUING NOTICE OR CONDUCTING PUBLIC HEARINGS OR AN ELECTION WITHIN THE DISTRICT ON THE QUESTION OF ANNEXATION. (Stovall)

Mayor Terry opened the hearing at 7:07 p.m. No public comment was received. The hearing was closed at 7:08 p.m.

- B. The Celina City Council will conduct the first of three public hearings to consider testimony regarding the annexation of approximately 700 acres, describing the municipal services to be provided to the area and the time in which municipal services will be provided, calling a public hearing, directing notices to be provided, directing that a petition for annexation of the area be prepared and opportunity to sign provided, providing for matters related thereto for the following areas: (20-05 Annexation First Public Hearing) (Mohan)

Mayor Terry opened the hearing at 7:08 p.m. No public comment was received. The hearing was closed at 7:10 p.m.

- C. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance on the voluntary annexation of approximately 149 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of FM 1385 and Punk Carter Parkway. (Edgewood Commercial - Annexation) (Mohan)

(2020-54) Mayor Terry opened the hearing at 7:11p.m. No public comment was received. The hearing closed at 7:12 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andy Hopkins, Place 3
SECONDER:	Carmen Roberts, Place 4
AYES:	Steiner, Nabors, Hopkins, Roberts, Koehne, Anderson

- D. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 149 acre tract of land to Commercial, Office, & Retail District (C), generally located at the northeast corner of FM 1385 and Punk Carter Parkway. (Edgewood Commercial - Zoning) (Mohan)

(2020-55) Mayor Terry opened the hearing at 7:12 p.m. No public comment was received. The hearing was closed at 7:13 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Wayne Nabors, Place 2
SECONDER:	Chad Anderson, Place 6
AYES:	Steiner, Nabors, Hopkins, Roberts, Koehne, Anderson

- E. The Celina City Council will conduct a public hearing to consider testimony and act upon a Development Agreement on approximately 42 acres of land, generally located north of future Glendenning Parkway and approximately 1,200 feet west of Coit Road. (Miller Tract - Development Agreement) (Mohan)

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

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Justin Steiner, Place 1
SECONDER:	Carmen Roberts, Place 4
AYES:	Steiner, Nabors, Hopkins, Roberts, Koehne, Anderson

- F. The Celina City Council will conduct a public hearing to consider testimony and act upon a development agreement on approximately 15 acres of land, generally located north of Frontier Parkway and approximately 600 feet east of Smiley Road. (Frontier Mini Storage - Development Agreement) (McAfee)

Mayor Terry opened the hearing at 7:15 p.m. No public comment was received. The hearing was closed at 7:20 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Carmen Roberts, Place 4
SECONDER:	Andy Hopkins, Place 3
AYES:	Steiner, Nabors, Hopkins, Roberts, Koehne, Anderson

IX. ACTION ITEM:

- A. Consider and act upon a resolution taking a record vote to place a proposal for adoption of the Fiscal Year 2020-2021 budget and tax rate on the September 8, 2020 agenda; specifying the proposed property tax rate; establishing date for public hearing on the proposed property tax rate; and providing for publication as provided by the Texas Property Tax Code. (Bromiley)

(2020-49R) The mayor called roll to take a record vote on this item.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Justin Steiner, Place 1
SECONDER:	Carmen Roberts, Place 4
AYES:	Steiner, Nabors, Hopkins, Roberts, Koehne, Anderson

- B. 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 Refunding Bonds, Series 2020 (The Lakes at Mustang Ranch Public Improvement District Phase #1 Project); approving and authorizing related agreements, an amended and restated service and assessment plan, the release of a portion of previously levied assessments, and the redemption of certain refunded bonds on their redemption date; and providing an effective date. (The Lakes at Mustang Ranch PID Phase 1 Bond Refunding) (Pouladi)

(2020-56) Jason Hughes with Hilltop Securities summarized the refunding issue and interest rates.

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

- C. 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 2020 (Creeks of Legacy Public Improvement District Phase #3 Project); approving and authorizing related agreements and an amended and restated service and assessment plan; and providing an effective date. (Creeks of Legacy PID Phase 3 Bond) (Pouladi)

(2020-57) Mayor Terry recused himself from this item (7:27 p.m.) Jason Hughes with Hilltop Securities summarized the issue.

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

X. ADJOURNMENT:

There being no further comment Mayor Pro Tem Anderson adjourned the meeting at 7:30 p.m.

Sean Terry, Mayor

Secretary

Date Minutes Approved

Minutes Acceptance: Minutes of Aug 11, 2020 5:00 PM (Minutes Approval)



Life Connected.

**CITY COUNCIL SPECIAL MEETING
CELINA COUNCIL CHAMBERS
112 N. COLORADO ST.
WEDNESDAY, AUGUST 26, 2020
5:00 PM**

MINUTES

I. CALL TO ORDER:

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

Mayor Pro Tem Anderson called the meeting to order at 5:00 p.m.

II. CONSENT AGENDA:

RESULT: ADOPTED [UNANIMOUS]
MOVER: Justin Steiner, Place 1
SECONDER: Andy Hopkins, Place 3
AYES: Steiner, Hopkins, Roberts, Koehne, Anderson
ABSENT: Nabors

1. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2014-21 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Two, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-58)

2. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2015-46 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Three, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-59)

3. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2015-52 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Four, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-60)

4. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2016-16 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Five, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-61)

5. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2016-43 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Six, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-62)

6. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2016-64 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Seven, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-63)

7. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2017-70 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Nine, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-64)

8. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2017-49 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Eight, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-65)

9. Consider and act upon an Ordinance of the City of Celina, Texas, amending Ordinance No. 2017-71 by amending Section 4 of said ordinance concerning the membership of the Board of Directors of Reinvestment Zone Number Ten, City of Celina, Texas, to authorize the City Council to serve as the City's appointees to the Board of Directors; providing a severability clause; and providing for an immediate effective date. (Stovall)

(2020-66)

Minutes Acceptance: Minutes of Aug 26, 2020 5:00 PM (Minutes Approval)

10. Consider and act to ratify the appointment of Allwin Barrow as Interim Police Chief.

III. PUBLIC HEARING:

1. The Celina City Council will conduct a public hearing, in accordance with Section 43.0751(d) of the Texas Local Government Code, to provide members of the public the opportunity to present testimony or evidence and act upon a proposed Strategic Partnership Agreement between the City and the Collin County Municipal Utility District, No. 1 (the "District"), which agreement provides for the City's full purpose annexation of all land within the District and conversion of the District into a limited district, with such annexation and conversion not to occur before December 31, 2027. ON THE FULL-PURPOSE ANNEXATION CONVERSION DATE, THE LAND INCLUDED WITHIN THE BOUNDARIES OF THE DISTRICT SHALL BE DEEMED TO BE WITHIN THE FULL-PURPOSE BOUNDARY LIMITS OF THE CITY WITHOUT THE NEED FOR FURTHER ACTION BY THE CITY COUNCIL OF THE CITY, INCLUDING ISSUING NOTICE OR CONDUCTING PUBLIC HEARINGS OR AN ELECTION WITHIN THE DISTRICT ON THE QUESTION OF ANNEXATION. (Stovall)

Mayor Pro Tem Anderson opened the hearing at 5:01 p.m. No public comment was received. The hearing was closed at 5:02 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Carmen Roberts, Place 4
SECONDER:	Mindy Koehne, Place 5
AYES:	Steiner, Hopkins, Roberts, Koehne, Anderson
ABSENT:	Nabors

IV. ACTION:

- A. Consider and act upon a Tenth Amendment to Amended and Restated Development Agreement between the City of Celina, Collin County Municipal Utility District No. 1 ("MUD 1") and multiple developer parties owning land within MUD 1 (Light Farms)(Stovall)

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

- B. Consider and act on a Settlement Agreement for Petition by Outside Ratepayers Appealing the Water Rates Established by the City of Celina in the Texas Public Utility Commission, Docket No. 49225 and City of Celina vs. Collin County Municipal Utility District No. 1; Keller Webster, Gordon Greeson, Kenneth Prater, Andy Harvey, Lissa Shephard in the 471st Judicial District Court of Collin County, Texas, Cause No. 471-02643-2020 (Light Farms)(Stovall)

Minutes Acceptance: Minutes of Aug 26, 2020 5:00 PM (Minutes Approval)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andy Hopkins, Place 3
SECONDER:	Carmen Roberts, Place 4
AYES:	Steiner, Hopkins, Roberts, Koehne, Anderson
ABSENT:	Nabors

- C. Consider and act upon a Resolution of the City Council of the City of Celina, Texas, hereby authorizing the City Manager of the City of Celina, Texas, to execute an Interlocal Cooperation Agreement with Denton County for Corona Virus Relief funds to address and respond to COVID-19; and providing for an effective date. (Stovall)

(2020-50R)

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

- D. Consider and act upon a request for an amendment to The Cottages development agreement; generally located west of Louisiana Drive and north of J. Fred Smith Parkway. (The Cottages DA Amendment) (Mohan)

RESULT:	NO ACTION
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V. **ADJOURN:**

Mayor Pro Tem Anderson thanked Mr. Davis (in audience) with Light Farms for his help with negotiating the agreements passed tonight. There being no further comment Mayor Pro Tem Anderson adjourned the meeting at 5:05 p.m.

Sean Terry, Mayor

Secretary

Date Minutes Approved

Minutes Acceptance: Minutes of Aug 26, 2020 5:00 PM (Minutes Approval)



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 8, 2020
Re: County Road 6 Name Change

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas; revising the street name from County Road 6 to South Legacy Drive. (County Road 6) (Colakovic)

Background Information:

Refer to the attached resolution for further information.

Supporting Documents:

- Proposed Resolution

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS
RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
 OF CELINA, TEXAS RENAMING CERTAIN
 PORTIONS OF COUNTY ROAD 6 TO SOUTH LEGACY
 DRIVE.**

WHEREAS, the City Council of the City of Celina adopted a revised street name approval policy, and map with historic name placeholders on May 12, 2015;

WHEREAS, policies of the City are revised from time-to-time;

WHEREAS, the City Council of the City of Celina desires to honor the historic heritage of the early families who settled in Celina; and

WHEREAS, the City Council of the City of Celina also desires to recognize prominent citizens, both living and deceased;

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

SECTION 1: The following street names shall be changed immediately, street placards shall be replaced with the adopted names, and notice shall be given to property owners along such streets of the official change:

- County Road 6, from W Frontier Pkwy to the most Southern boundary of Parrish Carl P & Dale Property (PROP ID: 2120834), shall become S Legacy Dr, as depicted in Exhibit A.

SECTION 2: The following street names shall be changed immediately, street placards shall be replaced with the adopted names, and notice shall be given to property owners along such streets of the official change:

- County Road 6, from the most Southern boundary to the most Northern boundary of IDGAF Investment INC Property (PROP ID: 2120833), shall become S Legacy Dr, as depicted in Exhibit B.

SECTION 3: The following street names shall be changed immediately, street placards shall be replaced with the adopted names, and notice shall be given to property owners along such streets of the official change:

- County Road 6, from the most Southern to the most Northern boundary of Willis Law Group, PLLC Property (PROP ID: 52923), shall become S Legacy Dr, as depicted in Exhibit C.

SECTION 4: The following street names shall be changed immediately, street placards shall be replaced with the adopted names, and notice shall be given to property owners along such streets of the official change:

- County Road 6, from the most Southern boundary of Tollway Outer Loop Commercial LP Property (PROP ID: 2787913) to the most Northern boundary of Stiles Paul Woodrow Property (PROP ID: 52916), shall become S Legacy Dr, as depicted in Exhibit D.

SECTION 5: The following street names shall be changed immediately, street placards shall be replaced

with the adopted names, and notice shall be given to property owners along such streets of the official change:

- County Road 6, from the most Northern boundary of Mitchell Gary Lynn Property (PROP ID: 2117132) to the intersection of CR 6 and FM 428, shall become S Legacy Dr, as depicted in Exhibit E.

SECTION 6: The City Council reviewed the revised Policy and hereby adopts the same,

SECTION 7: This Resolution shall take effect immediately upon its passage.

AND IT IS SO RESOLVED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this __8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

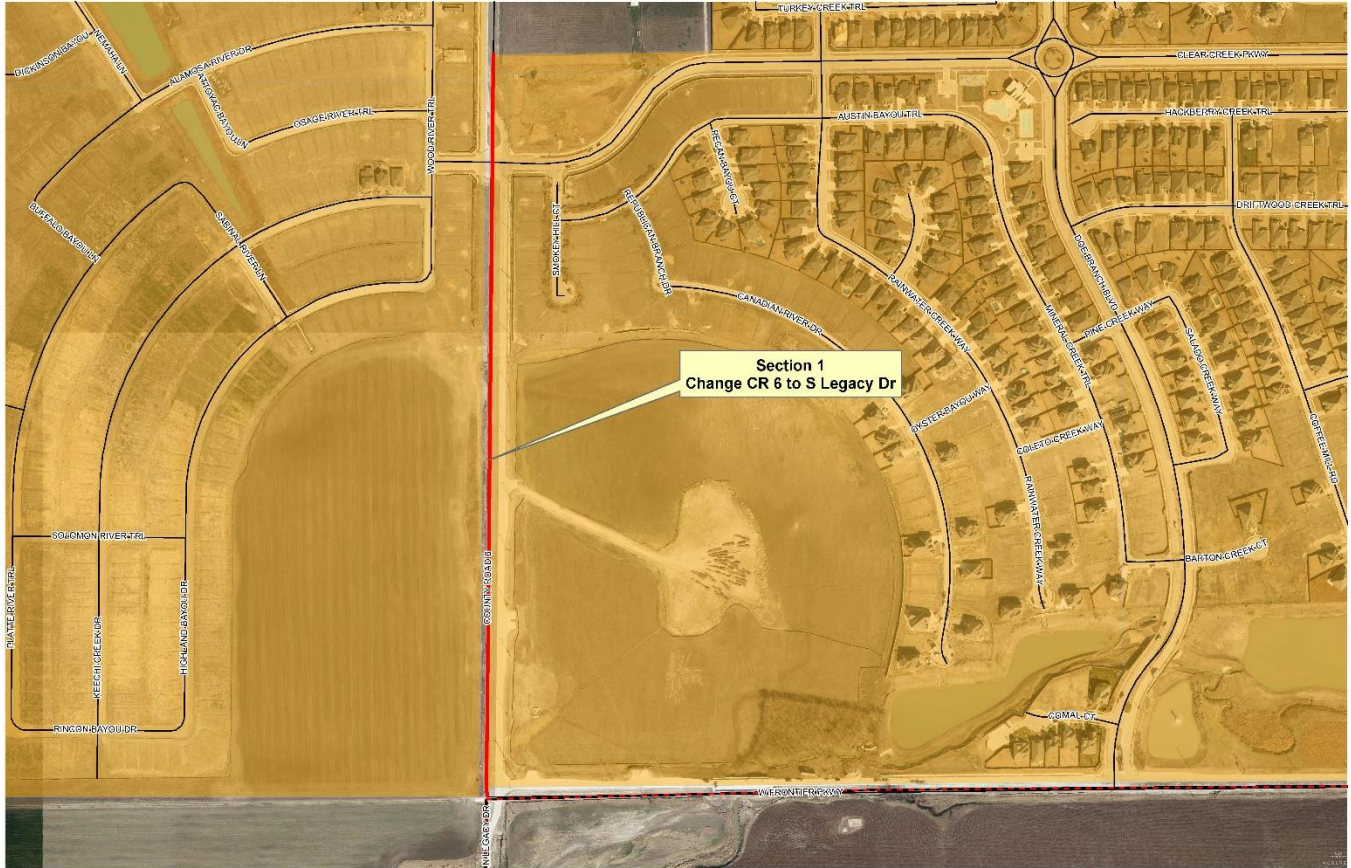
[SEAL]

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City
City of Celina, Texas

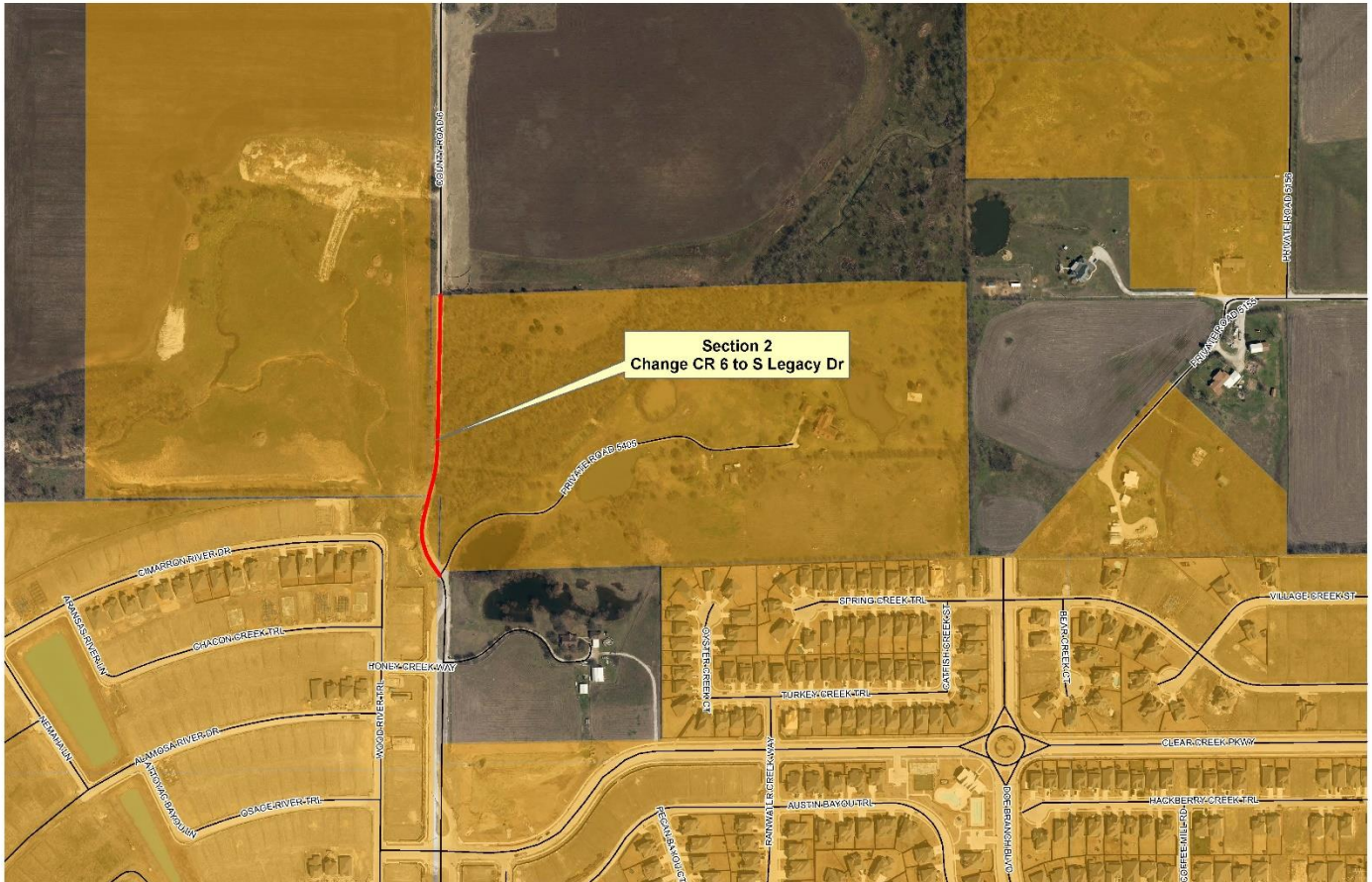
Attachment: Proposed Resolution (County Road 6 Name Change)

Exhibit "A" **Proposed County Road 6 Renaming Limits**



Attachment: Proposed Resolution (County Road 6 Name Change)

Exhibit "B"
Proposed County Road 6 Renaming Limits



Attachment: Proposed Resolution (County Road 6 Name Change)

Exhibit "C"
Proposed County Road 6 Renaming Limits



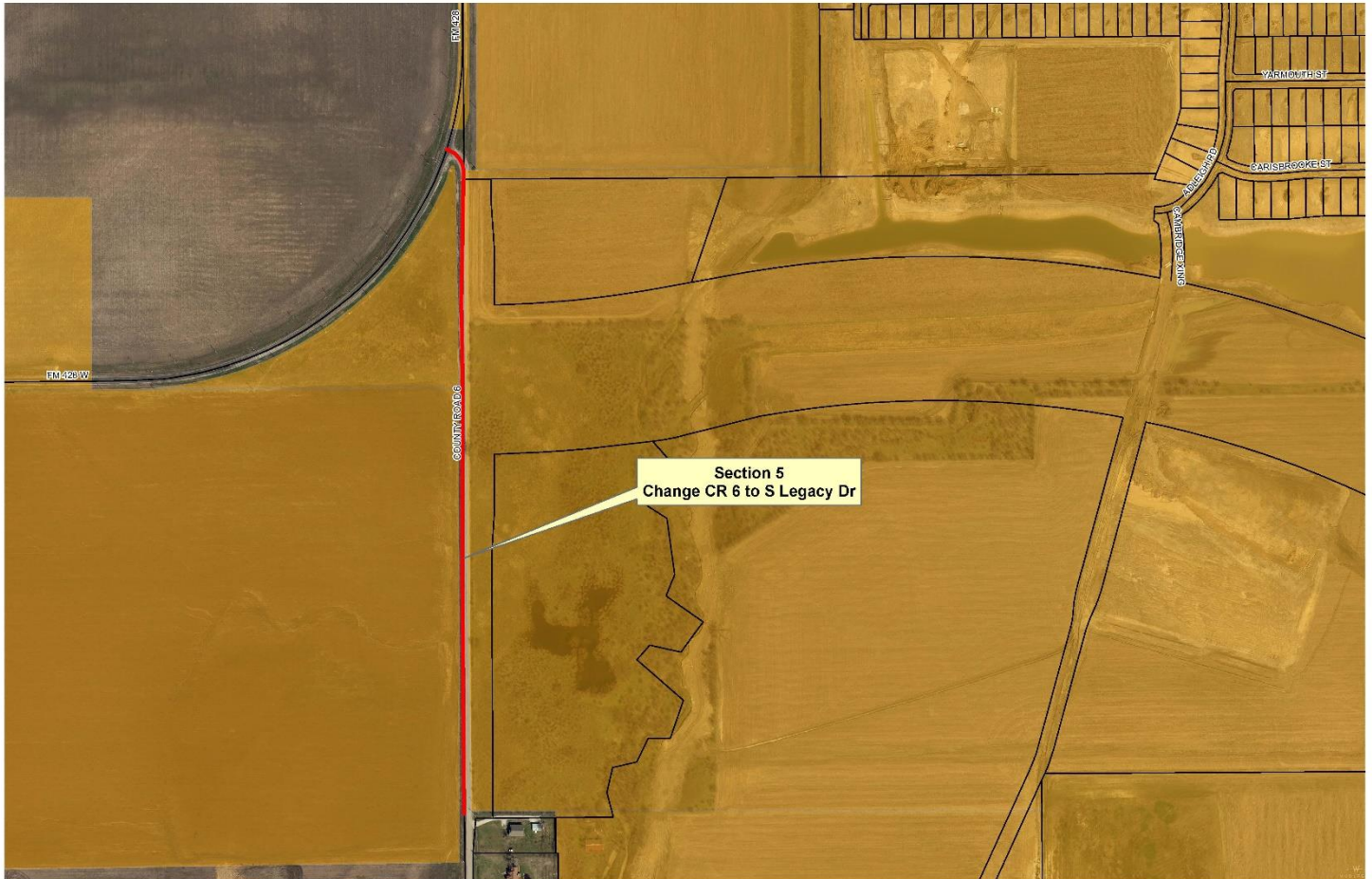
Attachment: Proposed Resolution (County Road 6 Name Change)

Exhibit "D"
Proposed County Road 6 Renaming Limits



Attachment: Proposed Resolution (County Road 6 Name Change)

Exhibit "E"
Proposed County Road 6 Renaming Limits



Attachment: Proposed Resolution (County Road 6 Name Change)



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 8, 2020
Re: Celina 12 Annexation Service Agreement

Action Requested:

Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 13 acres within the Extraterritorial Jurisdiction, generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Annexation Service Agreement) (Mohan)

Applicant:

Kirkman Engineering
5200 SH 121
Colleyville, TX 76034

Background Information:

The property is generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway. Please refer to the attached Annexation Service Agreement for more information.

Supporting Documents:

- Annexation Service Agreement

Staff Recommendation:

Staff recommends approval.

Service Agreement for C-3 Annexed Property

The undersigned parties have negotiated, and now enter into, this written Service Agreement for C-3 Annexed Property ("Agreement") pursuant to the authority provided by Section 43.0672, Texas Local Government Code ("LGC"). Pursuant to Section 43.056(l) of the LGC, this Agreement shall have a term of ten (10) years beginning on the date approved by the City Council of Celina. This Agreement is for the following property:

The Property is described in Exhibit A attached hereto and incorporated herein.

NOW THEREFORE, for and in consideration received and the mutual benefits contained herein, the undersigned parties agree to the following Service Plan:

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to "provide" services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life

- Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
- b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
 - d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.
- 3) Emergency Medical Services
- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
 - b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
 - d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the

City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.

- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.
- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full

municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.

Entered into this ____ day of _____, 2020.

CITY OF CELINA

By: _____
 Name: Jason Laumer
 Title: City Manager
 Date: _____

OWNER: SS Group LLC

By: _____
 Name: Srinivas Damera
 Title: Owner
 Date: _____

Exhibit A
Legal Description

12.264 ACRES
T. MCINTYRE SURVEY, A-903
DENTON COUNTY, TEXAS

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE T. MCINTYRE SURVEY, ABSTRACT NO. 903, DENTON COUNTY, TEXAS, BEING A RESURVEY OF THAT CERTAIN CALLED 12.29 ACRE TRACT OF LAND DESCRIBED IN DEED TO 28 & 12 FARM ON PRESTON ROAD, LTD., RECORDED IN DOCUMENT #2004-137416, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT BEING HEREIN DESCRIBED AT A 5/8-INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF F.M. 1385 FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 16.000 ACRE TRACT OF LAND DESCRIBED IN DEED TO JEFF HAMMER, RECORDED IN VOLUME 2146, PAGE 762, DEED RECORDS, DENTON COUNTY, TEXAS AND FOR THE SOUTHWEST CORNER OF SAID 12.29 ACRE TRACT OF LAND;

THENCE NORTH 02 DEGREES 38 MINUTES 54 SECONDS EAST, WITH THE EAST RIGHT-OF-WAY LINE OF SAID F.M. 1385, A DISTANCE OF 428.17 FEET TO A CAPPED IRON ROD SET FOR THE SOUTHWEST CORNER OF THAT CERTAIN CALLED 10.00 ACRE TRACT OF LAND DESCRIBED IN DEED TO HENRY PRICE AND WIFE ANNETTE PRICE, RECORDED IN DOCUMENT #2003-R0084593, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 10.00 ACRE TRACT OF LAND BEARS NORTH 02 DEGREES 40 MINUTES 33 SECONDS EAST, A DISTANCE OF 349.98 FEET;

THENCE NORTH 89 DEGREES 30 MINUTES 51 SECONDS EAST, A DISTANCE OF 1246.68 FEET TO A CAPPED IRON ROD SET IN THE WEST LINE OF THAT CERTAIN CALLED 38.223 ACRE TRACT OF LAND DESCRIBED IN DEED TO BLUE ANGUS RANCH, LP., RECORDED IN DOCUMENT #2007-107216, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A CAPPED IRON ROD FOUND FOR REFERENCE BEARS SOUTH 89 DEGREES 30 MINUTES 51 SECONDS WEST, A DISTANCE OF 1.29 FEET;

THENCE SOUTH 02 DEGREES 32 MINUTES 37 SECONDS WEST, A DISTANCE OF 355.89 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 127.897 ACRE TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS II, LLC, RECORDED IN DOCUMENT #2015-127939, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE SOUTHWEST CORNER OF SAID 38.223 ACRE TRACT OF LAND;

THENCE SOUTH 00 DEGREES 23 MINUTES 26 SECONDS WEST, A DISTANCE OF

73.67 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 16.000 ACRE TRACT OF LAND;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, A DISTANCE OF 1250.15 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.264 ACRES OF LAND, MORE OR LESS.



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 8, 2020
Re: Founder's Square Annexation Service Agreement

Action Requested:

Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 79 acres within the Extraterritorial Jurisdiction, generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Annexation Service Agreement) (Mohan)

Applicant:

Clint Bissett
Pacheco Koch
118 N. Ohio
Celina, TX 75009

Background Information:

The property is generally located at the southeast corner of future Glendenning Parkway and Smiley Road. Please refer to the attached Annexation Service Agreement for more information.

Supporting Documents:

- Annexation Service Agreement

Staff Recommendation:

Staff recommends approval.

Service Agreement for C-3 Annexed Property

The undersigned parties have negotiated, and now enter into, this written Service Agreement for C-3 Annexed Property ("Agreement") pursuant to the authority provided by Section 43.0672, Texas Local Government Code ("LGC"). Pursuant to Section 43.056(l) of the LGC, this Agreement shall have a term of ten (10) years beginning on the date approved by the City Council of Celina. This Agreement is for the following property:

The Property is described in Exhibit A attached hereto and incorporated herein.

NOW THEREFORE, for and in consideration received and the mutual benefits contained herein, the undersigned parties agree to the following Service Plan:

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to "provide" services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life

- Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
- b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
 - d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.
- 3) Emergency Medical Services
- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
 - b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
 - d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the

City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.

- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.
- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full

municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.

Entered into this ____ day of _____, 2020.

CITY OF CELINA

By: _____
 Name: Jason Laumer
 Title: City Manager
 Date: _____

OWNER: Pignataro International, LLC

By: _____
 Name: Louis Tiseo
 Title: Owner
 Date: _____

Exhibit A Legal Description

78.24 Acre Tract

All that certain 78.24 acre tract or parcel of land situated in the R. Cowen Survey, Abstract Number 211, County of Denton, State of Texas, said tract being the remaining part of a tract as described in deed to Donnie Jay Tamplen and Linda Diane Stone, filed 25 September 1996, and recorded in clerk's document number 96-067653 and 96-067654 of the Real Property Records of said Denton County, and said tract being all of a called 12.360 acre tract as described in a deed to Jack W. Tamplen, filed 21 July 1981, and recorded in volume 1092 page 392 of the Deed Records of said Denton County, said tract also encompassing a called 1.012 acre tract as described in deed to Linda Diana Stone, filed 30 November 2000, and recorded in volume 4726 page 173 of said real property records, and being more particularly described as follows;

BEGINNING for the northeast corner of the tract being described herein at a found iron rod at the intersection of the Smiley Road and Fairfield Road, said rod being the northeast corner of a called 12.360 acre tract, same being the southeast corner of a called 30.00 acre tract of land as described in a deed to Dudley S. Raymond et ux, Bridget K. Raymond, filed 09 August 2004, and recorded in clerk's document number 2004-104932 of the official public records of said Denton County, and said rod being at the southwest corner of a called 744.7097 acre tract as described in a deed to First Leo Land Company LLC, filed 22 March 2016 and recorded in clerk's document number 2016-31284 of said official public records, same being the northwest corner of a called 20.37 acre tract of land as described in a deed to Rejesh G. Arakal and Usha Shanthinin Mani, filed 10 December 2012 and recorded in clerk's document number 2012-139672 of said official public records, said rod also being on the north line of said Cowen Survey, and the southeast corner of the M.E.P. & P. R.R. Co. Survey, Abstract Number 926, same being the southwest corner of the E. Lunn Survey, Abstract Number 783;

THENCE: South 00 degrees 42 minutes 40 seconds East, with the east line of said 12.360 acre tract, and the west line of said Arakal tract and with said Fairfield Road, and passing at 936.53 feet a found nail with cap stamped 5312 being the southwest corner of said Arakal tract, same being the most northerly northwest corner of a called 233.566 acre tract as described in deed to Robert J. Andres and Janis Lyn Andres, Co-Trustees of the Andres Family Trust, filed 26 July 2013, and recorded in county clerks number 2013-92646 of said official public records, and continuing on said course with the west line of said Andres tract, a total distance of 955.93 feet to a set 1/2 inch rebar for the southeast corner of said 12.360 acre tract, same being an ell corner of said Andres tract;

THENCE: South 89 degrees 32 minutes 37 seconds West, with the south line of said Donnie Jay Tamplen tract, and the north line of said Andres tract, and along and near a barbed wire fence, passing at 562.83 feet a set 1/2 inch rebar at the southwest corner of said Tamplen tract, and continuing on said course with the north line of said Andres tract, a distance of 1351.64 feet to a found 1/2 inch iron rod being the northwest corner of said Andres tract, said rod being the northeast corner of Tract One a called 10.587 acre tract of land as described in a deed to Sangani Properties, Ltd., filed 18 August 2004 and recorded in county clerks number 2004-110047 of said official public records, said rod also being South 00 degrees 51 minutes 56 seconds East, a distance of 19.14 feet from a found 1 1/2 inch rod;

THENCE: South 89 degrees 29 minutes 13 seconds West, with the north line of said Sangani tract, and passing at 447.50 feet a set 1/2 inch rebar by a pipe fence corner post being the northwest corner of said Sangani tract, same being the northeast corner of Tract One, a called 10.1203 acre tract of land as described in a deed to Julia Levit, filed 27 September 2010 and recorded in county clerks number 2010-95523 of said official public records and continuing on said course with the north line of said Levit Tract One, a total distance of 884.88 feet to a found 1/2 inch iron rod being the northwest corner of said Levit Tract One, same being the northeast corner of Tract Two, a called 9.7184 acre tract of land as described in of said Levit deed;

THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, a distance of 437.76 feet a set 1/2 inch rebar to a set 1/2 inch iron rebar for an inner ell corner of this tract, same being the most northerly northwest corner of said Levit Tract Two;

THENCE: South 00 degrees 19 minutes 22 seconds East, with the west line of said Levit Tract Two, a distance of 926.72 feet to a set 1/2 inch rebar for the most southerly southeast corner of this tract, same being an ell corner of said Levit Tract Two;

THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, and passing at 408.09 feet a set 1/2 inch rebar on the east side of said Smiley Road, and continuing on said course, a total distance of 438.09 feet to set 1/2 inch rebar in said road for the southwest corner of this tract, same being the most westerly northwest corner of said Levit Tract Two, and said rebar being on the east line of a called 333.47 acre tract of land as described in a deed to Shiney Hiney Partners II, filed 27 January 1993 and recorded in volume 3435 page 483 of the Real Property Records of said Denton County;

THENCE: North 00 degrees 17 minutes 20 seconds West, with the east line of said Shiney tract and with said Smiley Road, a distance of 1903.33 feet to a set 1/2 inch rebar for the northwest corner of this tract, said rebar being in the north line of said Cowen Survey, and said rebar being on the east line of a called 10.0407 acre tract as described in a deed to David Keith Bennett, filed 17 June 2014 and recorded in clerk's document number 2014-57137 of the official public records, said rebar also being South 00 degrees 39 minutes 06 seconds East, a distance of 15.82 feet from a found iron rod with a plastic cap;

THENCE: North 89 degrees 53 minutes 39 seconds East, with the north line of said Cowen Survey and with said Smiley Road, and passing at 1720.70 feet a found 1 1/2 inch steel square tubing being the southwest corner of said Raymond tract, and continuing on said course with the south line of said Raymond tract, passing at 2542.42 feet a set 1/2 inch rebar at the northeast corner of said , same being the northwest corner of said 12.360 acre tract, and continuing on said course with the south line of said Raymond tract a total distance of 3104.77 feet to the POINT OF BEGINNING and containing 78.24 acres of land.



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 8, 2020
Re: Bellevue (Mancuso) Annexation Service Agreement

Action Requested:

Consider and act upon a Service Agreement for C-3 annexed Property between the City of Celina and the owner of approximately 44 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Annexation Service Agreement) (Mohan)

Applicant:

Frank G. Abbott Jr.
Kimley-Horn
6160 Warren Parkway Suite 210
Frisco, TX 75034

Background Information:

The property is generally located at the northeast corner of Choate Parkway and future Coit Road. Please refer to the attached Annexation Service Agreement for more information.

Supporting Documents:

- Annexation Service Agreement

Staff Recommendation:

Staff recommends approval.

Service Agreement for C-3 Annexed Property

The undersigned parties have negotiated, and now enter into, this written Service Agreement for C-3 Annexed Property ("Agreement") pursuant to the authority provided by Section 43.0672, Texas Local Government Code ("LGC"). Pursuant to Section 43.056(l) of the LGC, this Agreement shall have a term of ten (10) years beginning on the date approved by the City Council of Celina. This Agreement is for the following property:

The Property is described in Exhibit A attached hereto and incorporated herein.

NOW THEREFORE, for and in consideration received and the mutual benefits contained herein, the undersigned parties agree to the following Service Plan:

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to "provide" services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life

- Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
- b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
 - d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.
- 3) Emergency Medical Services
- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
 - b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
 - d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the

City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.

- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.
- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full

municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.

Entered into this ____ day of _____, 2020.

CITY OF CELINA

By: _____
 Name: Jason Laumer
 Title: City Manager
 Date: _____

OWNER: BELLEVUE PARTNERS LTD

By: _____
 Name: Yancy Camp
 Title: Owner
 Date: _____

Exhibit A Legal Description

BEING a tract of land situated in the Levin Routh Survey, Abstract No. 779, Collin County, Texas and being all of those tracts of land described in an Executor's Deed to Thomas Mancuso, recorded in Instrument No. 20111129001285000 of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the northwest corner of said Thomas Mancuso tract, same being the northeast corner of a 35-foot wide right of way dedication for County Road 87 as created in Summerview Country Estates, an addition to Collin County, according to the final plat, recorded in Cabinet M, Page 420 of the Map Records of Collin County, Texas, same also being in County Road 87, an apparent public use right of way, no other record found, from said corner, a found PK nail for the southwest corner of a called 28.731-acre tract described in a Special Warranty Deed to Celina Stone, LLC, recorded in Instrument No. 20160916001237420 of the Official Public Records of Collin County, Texas, bears North 57°42' West, 0.66 feet;

THENCE North 89°21'08" East, departing said County Road 87 and along the northerly of said Thomas Mancuso tract, a distance of 956.22 feet to a 1/2-inch iron rod found for the southeast corner of said 28.731-acre tract and the westerly, southwest corner of a called 317.729-acre tract of land described in a Special Warranty Deed to Belknap FP, Ltd., recorded in Volume 4288, Page 156 of the Land Records of Collin County, Texas;

THENCE South 89°24'55" East, continuing along the northerly line of said Thomas Mancuso tract and along a southerly line of said 317.729-acre tract, a distance of 763.19 feet to a 5/8-inch iron rod found for the northeast corner of said Thomas Mancuso tract;

THENCE in a southerly direction, along an easterly line of said Thomas Mancuso tract and the westerly line of said 317.729-acre tract, the following:

South 00°27'18" East, a distance of 181.20 feet to a point for corner;

South 46°58'42" West, a distance of 190.80 feet to a point for corner;

South 3°37'18" East, a distance of 60.00 feet to a point for corner;

South 25°37'18" East, a distance of 147.00 feet to a point for corner;

South 17°00'18" East, a distance of 100.00 feet to a point for corner;

South 12°16'18" East, a distance of 77.42 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the easterly, southeast corner of said Thomas Mancuso tract, same being on the northerly line of a called 9.00-acre tract of land described in a Warranty Deed with Vendor's Lien to Cynthia S. Ewing, recorded in Instrument No. 20130516000671430 of the Official Public Records of Collin County, Texas;

THENCE South 89°44'15" West, along a southerly line of said Thomas Mancuso tract and the northerly line of said 9.00-acre tract, passing at a distance of 480.21 feet, a found 1/2-inch iron rod, continuing for a total distance of 546.30 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for the northwest corner of said 9.00-acre tract;

THENCE South 00°05'55" East, along an easterly line of said Thomas Mancuso tract and the westerly line of said 9.00-acre tract, a distance of 680.19 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for the southerly, southeast corner of said Thomas

Attachment: Annexation Service Agreement (Bellevue (Mancuso) Annexation Service Agreement)

Mancuso tract and the southwest corner of said 9.00-acre tract, same being in County Road 88, an apparent public use right of way, no record found;

THENCE South 89°44'47" West, along the southerly line of said Thomas Mancuso tract and said County Road 88, a distance of 284.40 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for a corner;

THENCE South 89°43'34" West, continuing along the southerly line of said Thomas Mancuso tract and said County Road 88, a distance of 861.23 feet to the southwest corner of said Thomas Mancuso tract and the southeast corner of aforesaid Summerview Country Estates, same also being the intersection of said County Road 88 with aforesaid County Road 87, from said corner, a found PK nail bears North 22°54' East, 6.23 feet;

THENCE North 00°09'01" West, along the westerly of said Thomas Mancuso tract, the easterly line of said Summerview Country Estates, and along said County Road 87, a distance of 1360.13 feet to the **POINT OF BEGINNING** and containing 43.916 acres (1,912,987 square feet) of land, more or less.

Michael B. Marx
Registered Professional Land Surveyor No. 5181
Kimley-Horn and Associates, Inc.
6160 Warren Pkwy., Suite 210
Frisco, Texas 75034
Ph. 972-335-3580
michael.marx@kimley-horn.com





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 8, 2020
Re: The Cottages DA Amendment

Action Requested:

Consider and act upon a request for an amendment to The Cottages development agreement; generally located west of Louisiana Drive and north of J. Fred Smith Parkway. (The Cottages DA Amendment) (Mohan)

Applicant:

James Land & Development Company
102 E. Broadway Street, Suite 940
Prosper, TX 75078

Background Information:

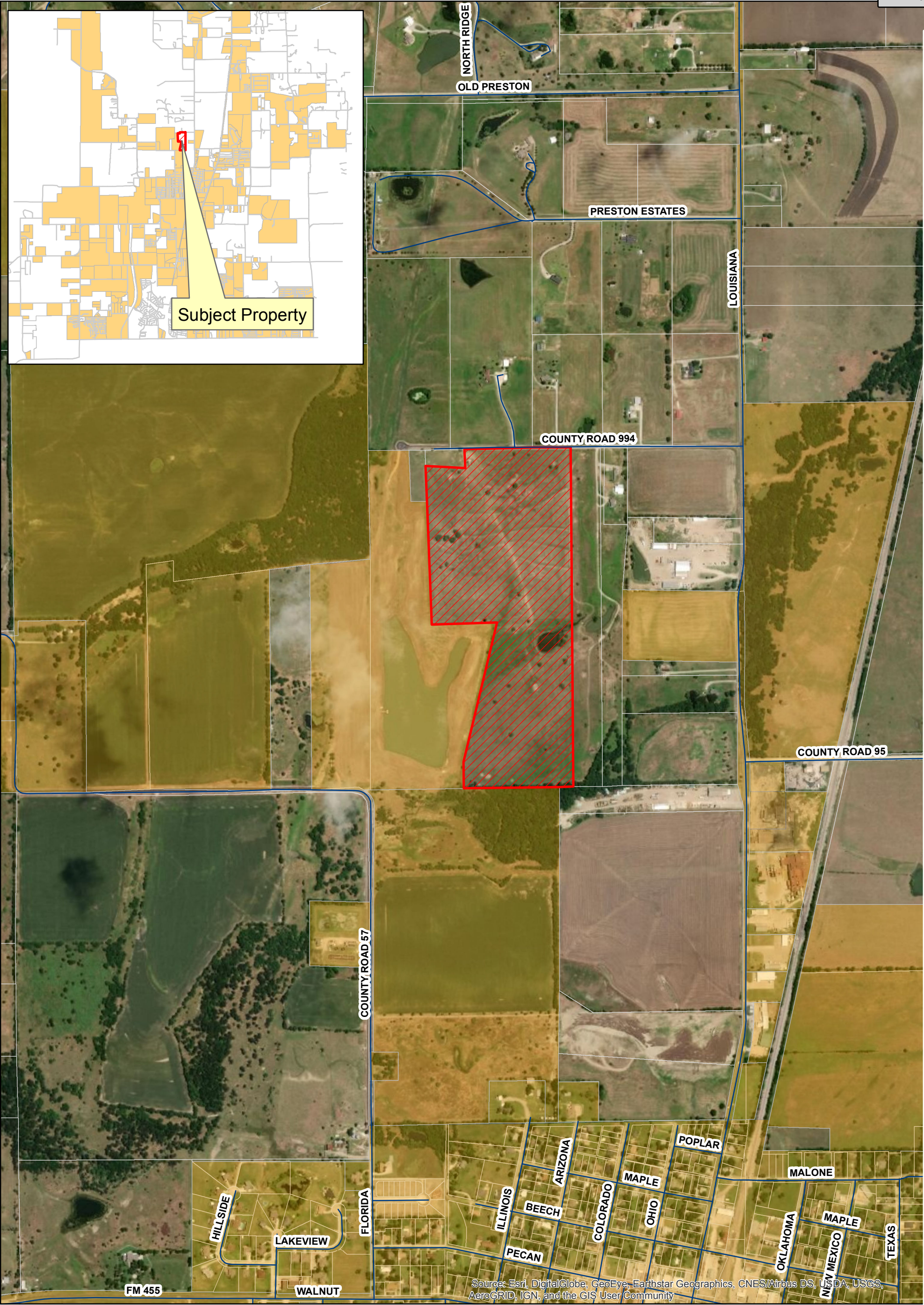
This is an amendment to an existing development agreement that was approved by Council in December 2018. The revised development agreement will be provided to Council at the regular meeting.

Supporting Documents:

- Location Map

Staff Recommendation:

Staff recommends approval.



Attachment: Location Map (The Cottages DA Amendment)

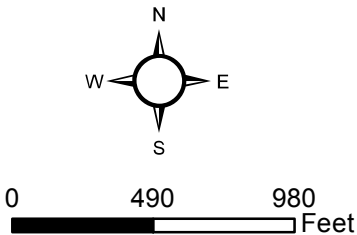


The Cottages Location Map

Date: 10/22/2018

Legend

- Roads
- The Cottages
- Parcels
- City Limits





Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Northside at Rollertown PID Creation Petition

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas, accepting a petition to create Northside at Rollertown Public Improvement District, and calling for a public hearing. (Northside at Rollertown PID Creation Petition) (Pouladi)

Background Information:

The Resolution is attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Resolution

Staff Recommendation:

Staff recommends approval.

**CITY OF CELINA, TEXAS
RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY OF CELINA, TEXAS, ACCEPTING A
PETITION TO CREATE NORTHSIDE PUBLIC IMPROVEMENT DISTRICT,
AUTHORIZING NOTICES AND CALLING FOR A PUBLIC HEARING.**

WHEREAS, the City of Celina, Texas (the "City"), is authorized under Chapter 372 of the Texas Local Government Code (the "Act"), to create a public improvement district within its corporate limits or extraterritorial jurisdiction; and

WHEREAS, on July 2, 2020, RCI-CELINA 115, LLC, a Texas limited liability company (the "Owner"), submitted and filed with the City Secretary of the City of Celina, Texas, a petition (the "Petition", which is attached as **Exhibit "A"** and incorporated herein for all purposes) meeting the requirements of the Act and indicating: (i) the owners of more than fifty percent (50%) of the appraised value of taxable real property liable for assessment, and (ii) the owners of more than fifty percent (50%) of the area of all taxable real property liable for assessment within the proposed district have executed the Petition requesting the City Council create "Northlake Public Improvement District" (the "District"); and

WHEREAS, the Act states the Petition is sufficient if signed by owners of more than fifty percent (50%) of the taxable real property, according to appraised value, and either of the following: more than fifty percent (50%) of the area of all taxable real property liable for assessment under the proposal, or more than fifty percent (50%) of all record owners of property liable for assessment: and

WHEREAS, the Act further requires that prior to the adoption of the resolution creating the District, the City Council must hold a public hearing on the advisability of the improvements, the nature of the improvements contemplated, the estimated costs of the improvements, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and City.

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

Section 1. The findings set forth in the recitals of this Resolution are hereby found to be true and correct.

Section 2. City staff reviewed the Petition and determined that same complied with the requirements of the Act and the City Council accepts the Petition. The Petition is filed with the office of the City Secretary and is available for public inspection.

Section 3. The City Council calls a public hearing for October 13, 2020 at 5:00 p.m. to be held at 112 N. Colorado Street, Celina, Texas on the advisability of establishing the District, the improvements, nature of the improvements, boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the City. Attached hereto as

Exhibit "B" is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the creation of the District.

Section 4. The City Council hereby authorizes and directs the City Secretary, on or before September 25, 2020, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the City; and (b) mail notice of the public hearing to the owners of property located in the proposed District as reflected on the tax rolls.

PASSED AND APPROVED on this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

Attachment: Resolution (Northside at Rollertown PID Creation Petition)

EXHIBIT A

Petition for the Creation of a Public Improvement District

PETITION FOR CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN THE CITY OF CELINA, TEXAS

TO THE HONORABLE MAYOR AND CITY COUNCIL, CITY OF CELINA, TEXAS:

COMES NOW RCI-CELINA 115, LLC, a Texas limited liability company (“Petitioner”), the owner of certain taxable real property, and pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “Act”), hereby petitions the City of Celina, Texas (“City”) to establish a public improvement district to include property owned by the Petitioner and located within the city limits of the City (the “District”). In support of same, Petitioner would respectfully show the following:

I.

The boundaries of the proposed District are set forth in Exhibit A attached hereto and incorporated by reference herein.

II.

The general nature of the proposed public improvements (the “Improvements”) include: (i) landscaping; (ii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way; (iii) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (iv) the establishment or improvement of parks; (v) projects similar to those listed in (i)-(iii); (vi) special supplemental services for the improvement and promotion of the District; (vii) payment of expenses associated with operating and maintaining the improvements listed above; and (viii) payment of expenses incurred in the establishment, administration, and operation of the District.

III.

The estimated total cost of the proposed Improvements is \$17,500,000.

IV.

The City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. Each assessment may be paid in part or in full at any time (including interest), and certain assessments may be paid in annual installments (including interest). If the City allows an assessment to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness on those Improvements (including interest).

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V.

The City will not be obligated to provide any funding to finance the Improvements, other than from assessments levied on the District and tax increment reinvestment zone revenue, if a tax increment reinvestment zone is created within all or part of the District. No City property in the District shall be assessed. The Petitioner may fund certain improvements from other funds available to the Petitioner.

VI.

The management of the District will be by the City, with the assistance of one or more consultants, who shall, from time to time, advise the City regarding certain operations of the District.

VII.

The persons or entities (through authorized representatives) signing this Petition concur with the establishment of the District and have the corporate authority to execute and deliver the Petition.

VIII.

The Petitioner proposes the District be established and managed without the creation of an advisory board. However, if an advisory board is created, the Petitioner requests a representative of the Petitioner be appointed to the advisory board.

IX.

The persons or entities (through authorized representatives) signing this Petition are also owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment under the proposal as determined by the current roll of the appraisal district in which the property is located; and the record owners of real property liable for assessment under the proposal who (a) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment under the proposal, and (b) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment under the proposal.

X.

This Petition will be filed with the City Secretary, City of Celina, Texas, in support of the creation of the District by the City Council of the City as herein provided.

SIGNATURE PAGE TO FOLLOW

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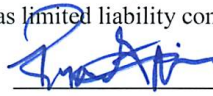
- 2 -

EXECUTED this 26th day of June, 2020.

PETITIONER

RCI-CELINA 115, LLC

a Texas limited liability company

By: 

Name: Ryan Griffin

Title: MANAGER

Attachment: Resolution (Northside at Rollertown PID Creation Petition)

EXHIBIT "A"

BEING a tract of land situated in the Collin County School Land Survey, Abstract No. 170, Collin County, Texas, Collin County, Texas, and being all of a called 114.889 acre tract of land described in a Special Warranty Deed with Vendor's Lien to RCI-Celina 115 LP, as recorded in Instrument No. 20200306000332040 of the Official Public Records of Collin County, Texas, being all of a called 11.202 acre tract of land described in a Special Warranty Deed with Vendor's Lien to RCI-Celina 115 LP, as recorded in Instrument No. 20200306000332150 of the Official Public Records of Collin County, Texas, being all of a called 2.932 acre tract of land described in a General Warranty Deed with Vendor's Lien to RCI-Celina 115 LP, as recorded in Instrument No. 20200306000332120 of the Official Public Records of Collin County, Texas, being all of a called 0.479 acre tract of land described in a General Warranty Deed with Vendor's Lien to RCI-Celina 115 LP, as recorded in Instrument No. 20200306000332180 of the Official Public Records of Collin County, Texas, and also being all of a called 0.868 acre tract of land described as Tract 1 and all of a called 0.438 acre tract of land described as Tract 2 in a General Warranty Deed with Vendor's Lien to RCI-Celina 115 LP, as recorded in Instrument No. 20200306000332190 of the Official Public Records of Collin County, Texas, and also being all of Lots 1 through 5, Block 1, Lots 1 and 2, Block 2, and Lot 1, Block 4 of Malone Addition, an unrecorded plat, and being more particularly described as follows:

BEGINNING at the southeast corner of said 114.889 acre tract on the northerly right-of-way line of Malone Street, a variable width right-of-way, no record found;

THENCE South 88°50'41" West, along the southerly line of said 114.889 acre tract and the northerly right-of-way line of said Malone Street, a distance of 1212.59 feet to the southerly southwest corner of said 114.889 acre tract;

THENCE departing the northerly right-of-way line of said Malone Street and continuing along the southerly line of said 114.889 acre tract, the following:

North 2°00'20" West, a distance of 155.16 feet to an ell corner of said 114.889 acre tract;

North 89°57'33" West, a distance of 457.72 feet to the northeast corner of said 0.479 acre tract;

THENCE South 1°11'25" West, departing the southerly line of said 114.889 acre tract and along the easterly line of said 0.479 acre tract, a distance of 208.88 feet to the southeast corner of said 0.479 acre tract, being on the northerly right-of-way line of said Malone Street;

THENCE North 89°56'31" West, along the southerly line of said 0.479 acre tract and the northerly right-of-way line of said Malone Street, a distance of 100.00 feet to the southwest corner of said 0.479 acre tract;

THENCE North 1°11'25" East, departing the northerly right-of-way line of said Malone Street and along the westerly line of said 0.479 acre tract, a distance of 208.85 feet to the northwest corner of said 0.479 acre tract, being on the southerly line of said 114.889 acre tract;

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Attachment: Resolution (Northside at Rollertown PID Creation Petition)

THENCE North 89°57'33" West, along the southerly line of said 114.889 acre tract, a distance of 234.93 feet to the northeast corner of said Tract 1;

THENCE South 1°15'19" West, departing the southerly line of said 114.889 acre tract and along the easterly line of said Tract 1, a distance of 187.69 feet to the southeast corner of said Tract 1, being on the northerly right-of-way line of said Malone Street;

THENCE North 89°29'53" West, along the southerly line of said Tract 1 and the northerly right-of-way line of said Malone Street, a distance of 200.00 feet to the southwest corner of said Tract 1, being on the easterly right-of-way line of a 20 foot wide alley;

THENCE North 1°15'01" East, departing the northerly right-of-way line of said Malone Street, along the westerly line of said Tract 1 and the easterly right-of-way line of said 20 foot wide alley, a distance of 190.37 feet to the northwest corner of said Tract 1, common to the east end of the northerly terminus of said 20 foot wide alley, being on southerly line of aforesaid 2.932 acre tract;

THENCE North 88°42'26" West, along the northerly terminus of said 20 foot wide alley and the southerly line of said 2.932 acre tract, a distance of 20.00 feet to the west end of said terminus, common to the northeast corner of aforesaid Tract 2;

THENCE South 1°15'01" West, departing the southerly line of said 2.932 acre tract, along the easterly line of said Tract 2 and the westerly right-of-way line of said 20 foot wide alley, a distance of 190.64 feet to the southeast corner of said Tract 2, being on the northerly right-of-way line of said Malone Street;

THENCE North 89°29'53" West, departing the westerly right-of-way line of said 20 foot wide alley, along the southerly line of said Tract 2 and the northerly right-of-way line of said Malone Street, a distance of 99.86 feet to the southwest corner of said Tract 2, being on the easterly line of said 2.932 acre tract;

THENCE South 1°16'58" West, continuing along the northerly right-of-way line of said Malone Street and along the easterly line of said 2.932 acre tract, a distance of 17.01 feet to the southerly southeast corner of said 2.932 acre tract;

THENCE North 88°45'14" West, continuing along the northerly right-of-way line of said Malone Street and along the southerly line of said 2.932 acre tract, a distance of 230.05 feet to the southwest corner of said 2.932 acre tract, being on the easterly right-of-way line of the St. Louis and San Francisco Railroad, a 100 foot wide right-of-way;

THENCE North 12°26'44" East, departing the northerly right-of-way line of said Malone Street, along the westerly line of said 2.932 acre tract and the easterly right-of-way line of said St. Louis and San Francisco Railroad, a distance of 387.82 feet to the northwest corner of said 2.932 acre tract, common to the northerly southwest corner of said 114.889 acre tract;

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Attachment: Resolution (Northside at Rollertown PID Creation Petition)

THENCE North 12°26'19" East, along the westerly line of aforesaid 114.889 acre tract and continuing along the easterly right-of-way line of said St. Louis and San Francisco Railroad, a distance of 2792.89 feet to the northwest corner of said 114.889 acre tract;

THENCE North 88°55'09" East, departing the easterly right-of-way line of said St. Louis and San Francisco Railroad and along the northerly line of said 114.889 acre tract, a distance of 1315.73 feet to the northeast corner of said 114.889 acre tract;

THENCE along the easterly line of said 114.889 acre tract, the following:

South 0°14'01" East, a distance of 915.38 feet to a point for corner;

North 89°52'46" East, a distance of 70.06 feet to a point for corner;

South 0°21'08" East, a distance of 416.20 feet to a point for corner;

South 89°36'42" West, a distance of 133.06 feet to a point for corner;

South 0°18'12" East, a distance of 245.29 feet to the northwest corner of aforesaid 11.202 acre tract;

THENCE North 89°21'01" East, departing the easterly line of said 114.889 acre tract and along the northerly line of said 11.202 acre tract, a distance of 321.10 feet to the northeast corner of said 11.202 acre tract;

THENCE along the easterly line of said 11.202 acre tract and the easterly line of said 114.889 acre tract, the following:

South 1°16'12" East, a distance of 530.89 feet to a point for corner;

North 88°43'48" East, a distance of 269.14 feet to a point for corner;

South 2°04'32" East, a distance of 564.22 feet to a point for corner;

South 0°24'08" West, a distance of 402.60 feet to the **POINT OF BEGINNING** and containing 130.809 acres (5,698,027 square feet) of land, more or less.

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**Exhibit B
Notice of Public Hearing**

**CITY OF CELINA, TEXAS
NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF A PUBLIC
IMPROVEMENT DISTRICT**

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the City Council of the City of Celina, Texas (“Celina”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by RCI-CELINA 115, LLC, a Texas limited liability company (the “Petitioner”), requesting that Celina 115 Northtown Public Improvement District (the “District”) to include property owned by the Petitioner.

Time and Place of the Hearing. The public hearing will start at 5:00 p.m. October 13, 2020 at 112 N. Colorado Street, Celina, Texas 75009.

General Nature of the Proposed Authorized Improvements. The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the “Act”), that are necessary for the development of the property within the District, which public improvements may include: street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; 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 similar items located therein; sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; projects similar to those listed above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; payment of costs associated with operating and maintaining the public improvements listed above; and payment of costs associated with developing and financing the public improvements listed above, and costs of establishing, administering, and operating the District (the “Authorized Improvements.”)

Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District is \$17,500,000.

Proposed District Boundaries. The District is proposed to include approximately 130.809 acres of land generally located in the area encompassed by directly south of CR 95, directly north of E. Malone Street, to the west of Preston Road, and to the east of BNSF Railroad, and as more particularly described by a metes and bounds description available at Celina City Hall located at 142 N. Ohio Street, Celina, Texas 75009 and available for public inspection.

Proposed Method of Assessment. Celina shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and debt), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment, and must continue for a period necessary to retire the indebtedness issued to finance or refinance those Authorized Improvements (including interest).

Proposed Apportionment of Cost between the District and Celina. Celina will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District property and possible tax increment reinvestment zone revenue. No municipal property in the District shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to it as developer of the District.



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Wells South NIA #3 - CCMI Release Ordinance

Action Requested:

Consider and act upon an ordinance of the City of Celina, Texas approving and authorizing the release of a portion of certain assessments related to the City Contributed Major Improvements previously levied against certain property within the Wells South Public Improvement District; and authorizing City officials to take additional actions to accomplish and formalize the release of that portion of the assessments. (Wells South PID NIA#3- CCMI Release Ordinance) (Pouladi)

Background Information:

The ordinance is attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2020-____

AN ORDINANCE APPROVING AND AUTHORIZING THE RELEASE OF THE ASSESSMENTS RELATED TO THE CITY CONTRIBUTED MAJOR IMPROVEMENTS FOR THE WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT.

WHEREAS, the City of Celina, Texas (the "City"), has 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, the City Council adopted Ordinance No. 2015-65 (the "Major Improvement Area Assessment Ordinance"); and

WHEREAS, the City Council adopted Ordinance No. 2015-66 (the "Neighborhood Improvement Area #1 Assessment Ordinance"); and

WHEREAS, in the Major Improvement Area Assessment Ordinance the City Council approved and accepted Wells South Public Improvement District Service and Assessment Plan, dated December 7, 2015, (the "Original SAP") and levied the special assessments (the "Major Improvement Area Assessments") against the property within the Major Improvement Area of the District, as shown on the assessment roll attached to the Original SAP with respect to the Major Improvement Area; and

WHEREAS, in the Neighborhood Improvement Area #1 Assessment Ordinance the City Council approved and accepted the Original SAP and levied the special assessments (the "Neighborhood Improvement Area #1 Assessments") against the property within Neighborhood Improvement Area #1 of the District, as shown on the assessment roll attached to the Original SAP with respect to Neighborhood Improvement Area #1; and

WHEREAS, the City Council has issued its Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement Area Project), which are secured by the Major Improvement Assessments, less that portion of the Major Improvement Area Assessments allocable to certain City Contributed Major Improvements constructed within the Major Improvement Area (the "Major Improvement Area 2015 CCMI Assessment"); and

WHEREAS, the City Council has issued its Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project), which are secured by the Neighborhood Improvement Area #1 Assessments, less that portion of the Neighborhood Improvement Area #1 Assessments allocable to certain City Contributed Major Improvements constructed within Neighborhood Improvement Area #1 (the "Neighborhood Improvement Area #1 2015 CCMI Assessment" and, together with the Major Improvement Area 2015 CCMI Assessment, the "2015 CCMI Assessment"); and

WHEREAS, the Original SAP provides that, if in a consecutive two-year period the ad valorem taxes collected on all Parcels within the District in each year of such consecutive two-year period equals or exceeds one hundred fifty percent (150%) of the Annual Installments Allocable to the City Contributed Major Improvements based on a confirming audit, then the Annual Installments Allocable to the City Contributed Major Improvements will be permanently reduced to zero; and

WHEREAS, the City Council finds that such conditions to permanently reduce the Annual Installment Allocable to City Contributed Major Improvements have been satisfied; and

Attachment: Ordinance (Wells South NIA #3 - CCMI Release Ordinance)

WHEREAS, the City Council finds and determines that it is in the best interest of the City and the homeowners in the District to release the Major Improvement Area 2015 CCMI Assessment portion of the Major Improvement Area Assessment and the Neighborhood Improvement Area #1 2015 CCMI Assessment portion of the Neighborhood Improvement Area #1 Assessment; and

WHEREAS, capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings assigned to them in the Original SAP; 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. Release of 2015 CCMI Assessment. The conditions specified in the Original SAP to permanently reduce the 2015 CCMI Assessment to zero have been satisfied and the 2015 CCMI Assessment is hereby released and shall no longer be levied or collected.

SECTION 2. Additional Actions. The Mayor, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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 release the 2015 CCMI Assessment. The Mayor, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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 the carrying out of the purposes and intent of this Ordinance.

SECTION 3. 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.

SECTION 4. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 5. 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 6. 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 7. 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 8. Effective Date. This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below.

PASSED AND ADOPTED, this September 8, 2020.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Ordinance (Wells South NIA #3 - CCMI Release Ordinance)



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Wells North NIA #4 PID - Pre-SAP

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas, determining the costs of NIA #4 improvements to be financed by the Wells North Public Improvement District; approving preliminary amended and restated service plan and assessment plan, including a proposed NIA #4 assessment roll; directing the filing of the proposed NIA #4 assessment roll with the City Secretary; providing for noticing and calling a public hearing for October 13, 2020, to consider an ordinance levying assessments on property located within Neighborhood Improvement Area #4 of the Wells North Public Improvement District. (Wells North NIA#4- PID – Pre-SAP) (Pouladi)

Background Information:

The resolution is attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Resolution

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. 2020-__R

A RESOLUTION OF THE CITY OF CELINA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE WELLS NORTH PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #4, INCLUDING A PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; NOTICING A PUBLIC HEARING FOR OCTOBER 13, 2020 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE WELLS NORTH PUBLIC IMPROVEMENT DISTRICT; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

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

WHEREAS, on February 9, 2016, the City Council of the City (the "City Council") conducted a public hearing to consider a petition received by the City on December 18, 2015 titled "Petition for the Creation of a Public Improvement District Within the ETJ of the City of Celina, Texas, for the Wells North Development" requesting the creation of a public improvement district; and

WHEREAS, on February 9, 2016, the City Council adopted Resolution No. 2016-12R (the "Authorization Resolution"), authorizing, establishing, and creating the "Wells North Public Improvement District" (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to \$20,000,000.00 in bonds for the District to finance certain public improvements authorized by the PID Act for the benefit of the property within the District (the "Authorized Improvements"); and

WHEREAS, the District is now located entirely within the corporate limits of the City; and

WHEREAS, pursuant to an ordinance adopted by the City Council on March 29, 2016 the City Council approved the Wells North Public Improvement District Service and Assessment Plan, including the Major Improvement Area Assessment Roll and the Neighborhood Improvement Area #1 Assessment Roll (the "Original SAP"), levied special assessments for the construction of the Major Improvements against property within the District, levied special assessments for the construction of the Neighborhood Improvement Area #1 Projects against property within Neighborhood Improvement Area #1 of the District, and established a lien on such property; and

WHEREAS, pursuant to an ordinance adopted by the City Council on April 9, 2019, the City Council approved the Wells North Public Improvement District Service and Assessment Plan, updated for Neighborhood Improvement Area #2, including the Neighborhood Improvement Area #2 Assessment Roll (the "NIA #2 SAP Update") which updated the Original SAP for the District, levied special assessments for the construction of the Neighborhood Improvement Area #2 Improvements against property within Neighborhood Improvement Area #2 of the District, and established a lien on such property; and

WHEREAS, pursuant to an ordinance adopted by the City Council on May 12, 2020, the City Council approved the Wells North Public Improvement District Service and Assessment Plan, updated for Neighborhood Improvement Area #3, including the Neighborhood Improvement Area #3 Assessment Roll (the "NIA #3 SAP Update") which updated the Original SAP and the NIA #2 SAP Update for the District, levied special assessments for the construction of the Neighborhood Improvement Area #3 Improvements against property within Neighborhood Improvement Area #3 of the District, and established a lien on such property; and

WHEREAS, the City Council and the City staff have been presented a preliminary "Wells North Public Improvement District, City of Celina, Texas, Amended and Restated Service and Assessment Plan" updated for Neighborhood Improvement Area #4, including a proposed Neighborhood Improvement Area #4 Assessment Roll attached thereto (the "Preliminary Amended and Restated SAP"), which updates, amends, and restates the Original SAP, the NIA #2 SAP Update, and the NIA #3 SAP Update, for the District to include assessments proposed to be levied against property within Neighborhood Improvement Area #4 of the District that benefit from the Neighborhood Improvement Area #4 Improvements. A copy of the Preliminary Amended and Restated SAP is (i) attached hereto as **Exhibit A**, (ii) is incorporated herein for all purposes, (iii) identifies the area constituting Neighborhood Improvement Area #4

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Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

of the District, (iv) identifies the costs of the Neighborhood Improvement Area #4 Improvements, and (v) sets forth the proposed assessment roll for Neighborhood Improvement Area #4 (the "Proposed Neighborhood Improvement Area #4 Assessment Roll"); and

WHEREAS, the Preliminary Amended and Restated SAP sets forth the estimated total costs of certain Authorized Improvements to be financed by the District at this time and the Proposed Neighborhood Improvement Area #4 Assessment Roll states the assessments proposed to be levied against each benefitted parcel of land in Neighborhood Improvement Area #4 of the District, as determined by the method of assessment chosen by the City and set forth in the Preliminary Amended and Restated SAP; and

WHEREAS, the PID Act requires that the Proposed Neighborhood Improvement Area #4 Assessment Roll be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the PID Act requires that a public hearing (the "Assessment Hearing") be called to consider proposed assessments against the benefitted property within Neighborhood Improvement Area #4 of the District and requires City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

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

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

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

SECTION 2. The City Council does hereby accept the Preliminary Amended and Restated SAP for the District, including the Proposed Neighborhood Improvement Area #4 Assessment Roll, in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager and the City's land use attorney, and which is incorporated

herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary Amended and Restated SAP.

SECTION 3. The City Council hereby determines that the total costs of the Neighborhood Improvement Area #4 Improvements to be financed by the District are as set forth in Section III.F of the Preliminary Amended and Restated SAP.

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

SECTION 5. The Proposed Neighborhood Improvement Area #4 Assessment Roll states the assessments and the projected annual installments proposed to be levied against each parcel of land in Neighborhood Improvement Area #4 of the District that benefits from the Neighborhood Improvement Area #4 Improvements, as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary Amended and Restated SAP.

SECTION 6. The City Council hereby authorizes and directs the filing of the Proposed Neighborhood Improvement Area #4 Assessment Roll with the City Secretary and directs the City Secretary to make the same available for public inspection.

SECTION 7. The City Council expressly defers the levy of Special Assessments against property within Future Neighborhood Improvement Areas for Authorized Improvements that will benefit such property until such time as the costs of such Authorized Improvements can be determined with certainty as referenced in the Preliminary Amended and Restated SAP.

Section 8. The City Council hereby authorizes, and calls, a public hearing (the Assessment Hearing, as defined above) to be held on **October 13, 2020, at or after 5:00 p.m.** in the Celina City Council Chambers, 112 N. Colorado Street, Celina, Texas 75009, at which, the City Council shall, among other actions, hear and pass on any objections to the proposed assessments, and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on property located within Neighborhood Improvement Area #4 of the District that benefits from the Neighborhood

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Improvement Area #4 Improvements and which ordinance shall specify the method of payment of the assessments. In the event that the City Council will be unable to meet at the City Council Chambers on October 13, 2020, 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. The City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on **October 13, 2020**, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in the *Celina Record*, a newspaper of general circulation in the City, on or before **October 1, 2020**, as required by Section 372.016(b) of the PID Act.

SECTION 10. When the Proposed Neighborhood Improvement Area #4 Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary, on or before **October 1, 2020** to mail to owners of property liable for the proposed assessments notice of the Assessment Hearing to be held on **October 13, 2020**, as required by Section 372.016(c) of the PID Act.

SECTION 11. City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the **October 13, 2020** meeting of the City Council.

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

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ADOPTED, PASSED, AND APPROVED on this the 8th day of September, 2020.

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

EXHIBIT A

PRELIMINARY AMENDED AND RESTATED SAP

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

WELLS NORTH PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

April 1, 2016

As updated for Neighborhood Improvement Area #2 on
December 10, 2019 and Neighborhood Improvement Area
#3 on May 12, 2020, and updated for NIA #4 _____, 2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

WELLS NORTH PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On February 9, 2016, (the “Creation Date”), the City Council (the "City Council") of the City of Celina, Texas (the "City") approved Resolution No. 2016-12R, which authorized the creation of the Wells North Public Improvement District (the “PID”) to finance the Actual Costs of the Public Improvements for the benefit of certain property in the PID, all of which is located within the corporate limits of the City.

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 “cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements.” The PID Act also requires a service plan “be reviewed and updated 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 Assessment Rolls for the PID are attached hereto as Appendix A, Appendix B, Appendix C, Appendix D, and Appendix E, 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 Sections IV and 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 Component” mean the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate charged on the Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve” has the meaning set forth in Section IV.M of this SAP.

“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 an employee of 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, 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 A, Appendix B, Appendix C, Appendix D, or Appendix E, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP, (ii) Administrative Expenses, and (iii) as applicable, (a) the portion of the interest on the Special Assessment designated for the Prepayment Reserve described in Section IV of this SAP, (b) the portion of the interest on the Special Assessment designated for the Delinquency Reserve described in Section IV of this SAP, and/or, (c) the Additional Interest Component of the Special Assessments 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 A, Appendix B, Appendix C, Appendix D, or Appendix E, as applicable (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 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 A, Appendix B, Appendix C, Appendix D, and Appendix E, 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 Neighborhood Improvement Area #1 and Major Improvement Area 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.L 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.

“Developer” means, collectively, the Master Developer, the Neighborhood Improvement Area #2 Developer, the Neighborhood Improvement Area #3 Developer, and the Neighborhood Improvement Area #4 Developer, including its successors and assigns.

“Development Agreement” means that certain "Amended and Restated Development Agreement (Wells North)" by and between the City and Celina Development North, LLC a Texas limited liability company, and related to the Property effective November 10, 2015, as amended on March 29, 2016, and as amended on May 8, 2018 as the same may be amended from time to time.

“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.

“Indenture” means an indenture of trust, trust agreement, ordinance 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” or **“MIA”** means the property within the PID not within Neighborhood Improvement Area #1, as generally shown on Table II-B and as specifically described in Appendix F and as depicted in Appendix H.

“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 A, 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 2016 (Wells North 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.

“Master Developer” means Celina Development North, LLC, a Texas limited liability company, including its successors and assigns.

“Neighborhood Improvement Area” or **“NIA”** 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 91.35 acres within the PID and as specifically described in Appendix F and as depicted in Appendix H.

“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 are levied.

“Neighborhood Improvement Area #1 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #1 included in this SAP as Appendix B, 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 2016 (Wells North Public Improvement District Neighborhood Improvement Area #1 Project) that are secured by Special Assessments levied on the Neighborhood Improvement Area #1 Assessed Property.

“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.C; and, that are to be financed with Neighborhood Improvement Area #1 Bonds.

“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.

“Neighborhood Improvement Area #2” means the property within the PID as depicted on the map on Table II.B consisting of approximately 33.6 acres within the PID and as specifically described in Appendix F and as depicted in Appendix H.

“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 C, 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 #2 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2019 (Wells North Public Improvement District Neighborhood Improvement Area #2 Project) that are secured by Special Assessments levied on the Neighborhood Improvement Area #2 Assessed Property.

“Neighborhood Improvement Area #2 Developer” means Bluewood Phase 2A, LLC, a Texas limited liability company, including its successors and assigns.

“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.D; and, were financed with Neighborhood Improvement Area #2 Bonds and funds contributed by the Neighborhood Improvement Area #2 Developer.

“Neighborhood Improvement Area #3” means the property within the PID as depicted on the map on Table II.B consisting of approximately 13.420 acres within the PID and as specifically described in Appendix F and as depicted in Appendix H.

“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 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 D, 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 Developer” means Bluewood Phase 3, LLC, a Texas limited liability company, including its successors and assigns.

“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.E; and, that were financed with funds contributed by the Neighborhood Improvement Area #3 Developer under the PID Reimbursement Agreement and for which the Neighborhood Improvement Area #4 Developer will be reimbursed, in part, with proceeds from the Neighborhood Improvement Areas #3-4 Bonds

“Neighborhood Improvement Area #4” means the property within the PID as depicted on the map on Table II.B consisting of approximately 30.794 acres within the PID and as specifically described in Appendix F and as depicted in Appendix H .

“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 E, 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 Developer” means Bluewood Phase 4, LLC, a Texas limited liability company, including its successors and assigns.

“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.F; and, that are to be financed with funds contributed by the Neighborhood Improvement Area #3 Developer under the PID Reimbursement Agreement and for which the Neighborhood Improvement Area #4 Developer will be reimbursed, in part, with proceeds from the Neighborhood Improvement Areas #3-4 Bonds.

“Neighborhood Improvement Areas #3-4 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2020 (Wells North Public Improvement District Neighborhood Improvement Areas #3-4 Projects) 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 #3 Assessed Property and Neighborhood Improvement Area #4 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #3 Improvements and Neighborhood Improvement Area #4 Improvements.

“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.

“Owner” means Celina Development North, LLC a Texas limited liability company.

“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 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 homeowner’s or property owner’s within the PID.

“Parcel” means a property identified by either a tax map identification number assigned by the Collin County 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 North Public Improvement District created by the City pursuant to Resolution No. 2016-12R approved February 9, 2016.

“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 Area #2 Bonds, the Neighborhood Improvement Area #3-4 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 North, dated March 29, 2016 by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“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.K of this SAP.

“Property” means the approximately 244.136 acres of property depicted and described by metes and bounds on Exhibit A to Resolution No. 2016-12R as adopted by City Council on February 9, 2016 as depicted on the map on Table II.A and as specifically described in Appendix F and as depicted in Appendix H.

“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 adoption of the initial Neighborhood Improvement Area #1 Assessment Roll and approval of this SAP for the future development of single family residential homes.

“Service and Assessment Plan” or **“SAP”** means this Amended and Restated Wells North Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time) approved by the City Council in the first Assessment Ordinance.

“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: Resolution (Wells North NIA #4 PID - Pre-SAP)

II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is comprised of the Property and is currently located within the corporate limits of the City. The PID contains approximately 244.136 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 F.

Table II-A
Public Improvement District Boundaries



Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

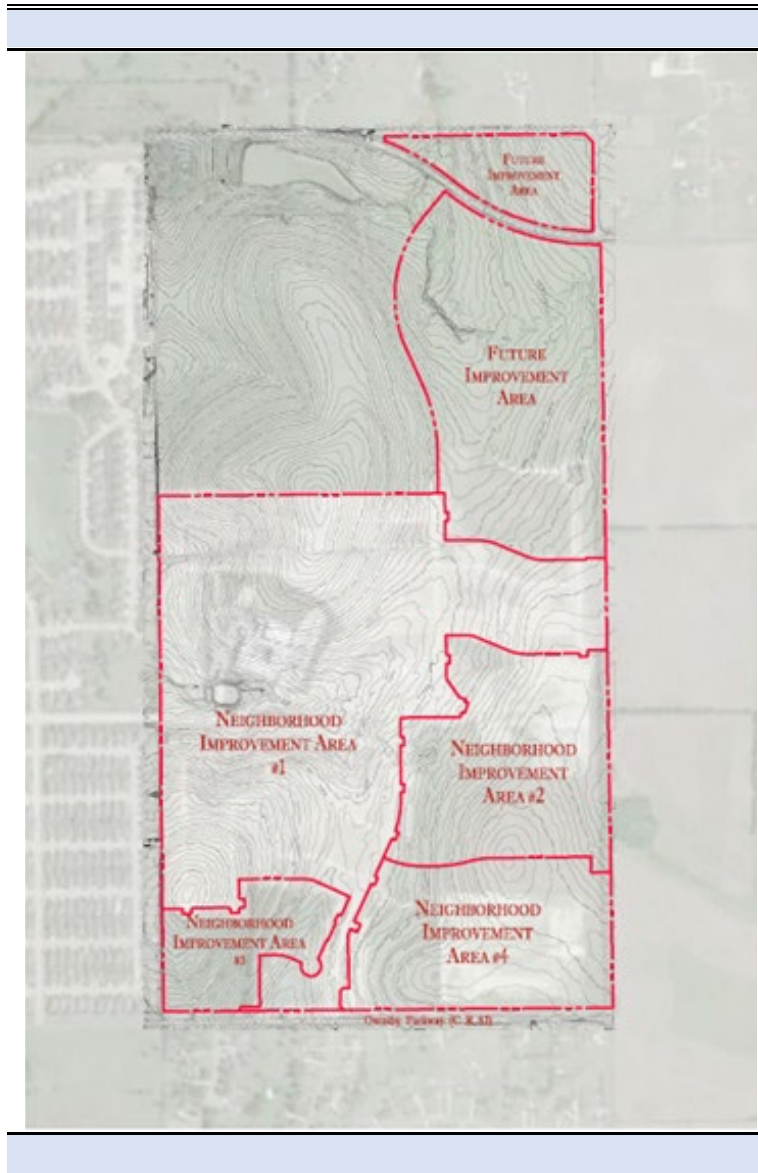
B. PROPERTY LOCATED IN THE MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, AND NEIGHBORHOOD IMPROVEMENT AREA #4

The Major Improvement Area consists of approximately 139.9 acres. Neighborhood Improvement Area #1 consists of approximately 91.35 acres consisting of 337 single family residential lots, developed in one phase and which are specially benefitted by the Public Improvements described in Section III.C. Neighborhood Improvement Area #2 consists of approximately 33.6 acres within the Major Improvement Area and projected to consist of 174 single family residential lots, to be developed in one phase and which will be specially benefitted by the Neighborhood Improvement Area #2 Improvements described in Section III.D. Neighborhood Improvement Area #3 consists of approximately 13.420 acres within the Major Improvement Area and projected to consist of 60 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.E. Neighborhood Improvement Area #4 consists of approximately 30.794 acres within the Major Improvement Area and projected to consist of 152 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.F.

A map of the property within the Major Improvement Area, 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. Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4 are also located in the Major Improvement Area. Legal descriptions for all Parcels within the PID are included in Appendix F.

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Table II-B
Public Improvement District Boundaries



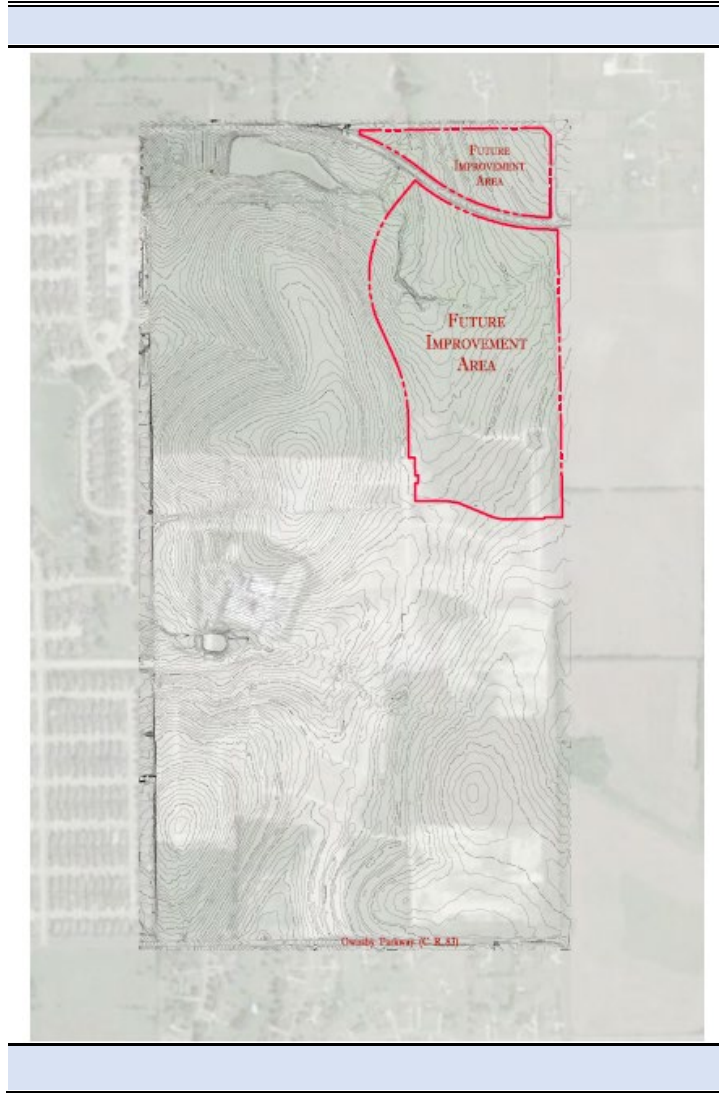
Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

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).

A map of the projected property within each Future Neighborhood Improvement Area is shown in Table II-C on the following page. 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



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Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

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, and Section III.E. Any change to the list of Public Improvements, including any Future Neighborhood Improvement Area Improvements as described in Section III.F, 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's proportionate share of the costs of the Major Improvements (the "Major Improvement Area Projects"); and, Neighborhood Improvement Area #1 Bonds fund both Neighborhood Improvement Area #1's proportionate share of the costs of the Major Improvements as well as the Neighborhood Improvement Area #1 Improvements (collectively, 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-C. The Major Improvement Area consists of property within the PID excluding Neighborhood Improvement Area #1. As a result, Assessed Property within Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4 is located within the Major Improvement Area and will receive a proportionate share of the costs of the Major Improvements.

The Major Improvements are described below. Table III-A shows the Actual Costs of the Major Improvements. The Actual Cost to construct the Major Improvements is \$4,987,083. The costs shown in Table III-A may be revised in Annual Service Plan Updates.

The Actual Costs for Major Improvements are being 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 Master Developer, all as described herein.

A description of the Major Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consists of the construction of four detention ponds and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements have been constructed according to City standards and were accepted by the City in September 2017.

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 Major Improvement Area Assessed Property. The wastewater improvements have been constructed according to City standards and were accepted by the City in September 2017.

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 will service the Assessed Property. The water improvements have been constructed according to City standards and were accepted by the City in September 2017.

Roadway Improvements

The roadway 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 roadway 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 roadway improvements have been constructed according to City standards and were accepted by the City in September 2017.

CCN Certificate

A portion of the proceeds has been used to reimburse the City for payments made to the Marilee Special Utility District (the “Marilee SUD”) to secure the release by the Marilee SUD in favor of the City of a water certificate of convenience and necessity (a “CCN”) for approximately 31.3 acres within the property in the District. Such release was pursuant to that certain Full and Final Settlement and Release between the City and Marilee SUD (formerly known as Gunter Special Utility District and Gunter Rural Water Supply Corporation) including the Addendums approved by those parties in March 2006, March 2009, and March 2011. The City holds a water certificate of convenience and necessity for the remaining portion of the property within the District.

Table III-A
Major Improvement Costs

Authorized Improvements	NIA #1	MIA	Total
Storm Drainage Improvements	\$135,244	\$1,426,200	\$1,561,444
Wastewater Improvements	\$210,346	\$265,874	\$476,220
Water Improvements	\$138,739	\$300,176	\$438,915
Roadway Improvements	\$440,346	\$1,296,158	\$1,736,504
ROW Acquisition	\$256,000	\$479,000	\$735,000
CCN Certificate	\$14,000	\$25,000	\$39,000
Total Authorized Improvements	\$1,194,675	\$3,792,408	\$4,987,083

Note: Costs provided by the Master Developer as shown on the Master Developer's Quarterly Continuing Disclosure Report available at <https://emma.msrb.org/RE1331502-RE1037138-RE1444745.pdf> (last retrieved April 27, 2020). Major Improvements were completed and accepted by the City in September 2017. The cost overages for the storm drainage, water and road improvements were the result of upgraded construction specifications and were funded entirely by the Developer.

C. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #1 PROJECTS

The Neighborhood Improvement Area #1 Projects are described below. Table III-B shows the Actual Costs to construct the Neighborhood Improvement Area #1 Projects are \$6,457,710 and includes 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 funded 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 Projects are being funded both from the proceeds of the Neighborhood Improvement Area #1 Bonds as described herein and from funds contributed by the Master Developer.

A description of the Neighborhood Improvement Area #1 Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #1 Improvements consists of the construction of detention ponds and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements have been constructed according to City standards and were accepted by the City in September 2017.

Wastewater 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 and were accepted by the City in September 2017.

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 will be constructed according to City standards.

Roadway Improvements

The roadway 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 roadway 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 roadway improvements have been constructed according to City standards and were accepted by the City in September 2017.

CCN Certificate

A portion of the proceeds were used to reimburse the City for payments made to the Marilee Special Utility District (the “Marilee SUD”) to secure the release by the Marilee SUD in favor of the City of a water certificate of convenience and necessity (a “CCN”) for approximately 31.3 acres within the property in the District. Such release was pursuant to that certain Full and Final Settlement and Release between the City and Marilee SUD (formerly known as Gunter Special Utility District and Gunter Rural Water Supply Corporation) including the Addendums approved by those parties in March 2006, March 2009, and March 2011. The City holds a water certificate of convenience and necessity for the remaining portion of the property within the District.

Table III-B
Neighborhood Improvement Area #1 Costs

Authorized Improvements	Major	Onsite	Total
Storm Drainage Improvements	\$135,244	\$730,684	\$865,928
Wastewater Improvements	\$210,346	\$1,136,439	\$1,346,785
Water Improvements	\$138,739	\$749,564	\$888,303
Roadway Improvements	\$440,346	\$2,646,348	\$3,086,694
ROW Acquisition	\$256,000	\$0	\$256,000
CCN Certificate	\$14,000	\$0	\$14,000
Total Authorized Improvements	\$1,194,675	\$5,263,035	\$6,457,710

Note: Costs provided by the Master Developer as shown on the Master Developer's Quarterly Continuing Disclosure Report available at <https://emma.msrb.org/ES1229868-ES960545-ES1361457.pdf> (last retrieved April 27, 2020). The Neighborhood Improvement Area Improvements and Major Improvements were completed and accepted by the City in September 2017.

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 are \$2,966,841 and are distinct from Neighborhood Improvement Area #2's allocable share of the Major Improvements described above in Section III.B. The proceeds of the Neighborhood Improvement Area #2 Bonds will only fund the Neighborhood Improvement Area #2 Improvements which benefit Neighborhood Improvement Area #2 Assessed Property only. 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 funded initially from funds contributed by the Neighborhood Improvement Area #2 Developer to be reimbursed, in part, by Special Assessments levied against the Neighborhood Improvement Area #2 Assessed Property under the terms of the PID Reimbursement Agreement. The obligations under the PID Reimbursement Agreement related to the Neighborhood Improvement Area #2 Improvements was paid from the proceeds of the Neighborhood Improvement Area #2 Bonds.

A description of the Neighborhood Improvement Area #2 Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #2 Improvements consists of the construction of detention ponds and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements have been constructed according to City standards and were accepted by the City in January 2020.

Wastewater Improvements

The wastewater improvement 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 to Neighborhood Improvement Area #2 Assessed Property. The wastewater improvements have been constructed according to City standards and were accepted by the City in January 2020.

Water Improvements

The water improvement portion of the Neighborhood Improvement Area #2 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 #2 Assessed Property. The water improvements have been constructed according to City standards and were accepted by the City in January 2020.

Roadway Improvements

The roadway 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 roadway 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 roadway improvements have been constructed according to City standards and were accepted by the City in January 2020.

Table III-C
Neighborhood Improvement Area #2 Costs

Authorized Improvements	Total
Storm Drainage Improvements	\$300,497
Wastewater Improvements	\$358,803
Water Improvements	\$503,745
Roadway Improvements	\$1,108,917
Other Soft & Miscellaneous Costs	\$694,879
Total Authorized Improvements	\$2,966,841

Note: Costs provided by the Neighborhood Improvement Area #2 Developer. The Neighborhood Improvement Area #2 Improvements were completed and accepted by the City in January 2020.

E. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS

The Neighborhood Improvement Area #3 Improvements are described below. Table III-D shows the estimated Actual Costs to construct the Neighborhood Improvement Area #3 Improvements are \$1,149,876 and are distinct from Neighborhood Improvement Area #3's allocable share of the Major Improvements described above in Section III.B. The Actual Costs for Neighborhood Improvement Area #3 Improvements were funded initially from funds contributed by the Neighborhood Improvement Area #3 Developer that are to be reimbursed, in part, by Special Assessments levied against the Neighborhood Improvement Area #3 Assessed Property under the terms of the PID Reimbursement Agreement. The obligations under the PID Reimbursement Agreement related to the Neighborhood Improvement Area #3 Improvements will be paid from the proceeds of the Neighborhood Improvement Area #3-4 Bonds, if and when issued. A portion of the proceeds of the Neighborhood Improvement Areas #3-4 Bonds, if and when issued, will only fund the Neighborhood Improvement Area #3 Improvements which benefit Neighborhood Improvement Area #3 Assessed Property only.

A description of the Neighborhood Improvement Area #3 Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #3 Improvements consists 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 and were accepted by the City in May 2020.

Wastewater Improvements

The wastewater improvement 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 to Neighborhood Improvement Area #3 Assessed Property. The wastewater improvements have been constructed according to City standards and were accepted by the City in May 2020.

Water Improvements

The water improvement portion of the Neighborhood Improvement Area #3 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 #3 Assessed Property. The water improvements have been constructed according to City standards and were accepted by the City in May 2020.

Roadway Improvements

The roadway 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 roadway 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 roadway improvements have been constructed according to City standards and were accepted by the City in May 2020.

Table III-D
Neighborhood Improvement Area #3 Costs

Authorized Improvements	Total
Storm Drainage Improvements	\$170,118
Wastewater Improvements	\$152,974
Water Improvements	\$173,914
Roadway Improvements	\$552,834
Other Soft & Miscellaneous Costs	\$0
Total Authorized Improvements	\$1,049,841

Note: Costs provided by the Neighborhood Improvement Area #3 Developer. Neighborhood Improvement Area #3 were completed and accepted by the City in May 2020

F. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS

The Neighborhood Improvement Area #4 Improvements are described below. Table III-E shows the estimated Actual Costs to construct the Neighborhood Improvement Area #4 Improvements are \$2,779,954 and are distinct from Neighborhood Improvement Area #4's allocable share of the Major Improvements described above in Section III.B. A portion of the proceeds of the Neighborhood Improvement Areas #3-4 Bonds, if and when issued, will only fund the Neighborhood Improvement Area #4 Improvements which benefit Neighborhood Improvement Area #4 Assessed Property only. 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 initially from Special Assessments levied against the Neighborhood Improvement Area #4 Assessed Property under the terms of Neighborhood Improvement Areas #3-4 Bonds and from funds contributed by the Neighborhood Improvement Area #4 Neighborhood Improvement Area #4 Developer.

A description of the Neighborhood Improvement Area #4 Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #4 Improvements consists of erosion control improvements to appropriately control and convey storm water for the benefit of Neighborhood Improvement Area #4 Assessed Property. The storm drainage 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.

Water Improvements

The water improvement portion of the Neighborhood Improvement Area #4 Improvements consists of construction and installation of 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.

Roadway Improvements

The roadway 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 roadway 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 roadway improvements will be constructed according to City.

Table III-E
Neighborhood Improvement Area #4 Costs

Authorized Improvements	Total
Storm Drainage	\$460,625
Wastewater	\$333,864
Water	\$366,022
Road Improvements	\$975,302
Other Soft & Miscellaneous Costs	\$644,141
Total Authorized Improvements	\$2,779,954

Note: Costs provided by the Neighborhood Improvement Area #4 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.)

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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-C 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-D 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-E details the allocation of costs of the Neighborhood Improvement Area #2 Improvements benefitting the Neighborhood Improvement Area #2 Assessed Property. Table IV-F details the allocation of costs of the Neighborhood Improvement Area #3 Improvements benefitting the Neighborhood Improvement Area #3 Assessed Property. Table IV-G details the allocation of costs of the Neighborhood Improvement Area #4 Improvements benefitting the Neighborhood Improvement Area #4 Assessed Property.

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, 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 have not been finalized 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 the Special Assessments associated with the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Area #2 Bonds, the Neighborhood Improvement Areas #3-4 Bonds are the only Special Assessments that can be addressed with

reasonable certainty in this SAP update. As a result, this SAP will need to be amended by the City Council, if and when a Future Neighborhood Improvement Area is developed and Future Neighborhood Improvement Area Bonds, if any, are issued.

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; and, 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 initial SAP, the Owner owned 100% of the Major Improvement Area Assessed Property and Neighborhood Improvement Area #1 Assessed Property. The Owner has acknowledged that the Major Improvements and Neighborhood Improvement Area #1 Improvements confer a special benefit on the 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 updated SAP, 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 of the Neighborhood Improvement Area #4 Improvements. 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 Assessment Ordinance; (ii) this SAP and the 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 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 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. 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-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
Original Cost Allocation of Major Improvements^(a)

Authorized Improvements	Total Cost	NIA #1 Major Improvements		MIA Major Improvements	
		% Allocation	Share of Costs	% Allocation	Share of Costs
Storm Drainage Improvements	\$463,000	35%	\$161,000	65%	\$302,000
Wastewater Improvements	\$579,000	35%	\$202,000	65%	\$377,000
Water Improvements	\$233,000	35%	\$81,000	65%	\$152,000
Road Improvements	\$1,485,000	35%	\$517,000	65%	\$968,000
ROW Acquisition	\$735,000	35%	\$256,000	65%	\$479,000
CCN Certificate	\$39,000	35%	\$14,000	65%	\$25,000
Total Authorized Improvements	\$3,534,000		\$1,231,000		\$2,303,000

(a) Table IV-C shows the budgeted costs at the time the Assessments for the Major Improvements were levied. See Table III-A for the final costs of the Major Improvements. The Major Improvements were completed and accepted by the City in September 2017. The cost overages for the storm drainage, water and road improvements were the result of upgraded construction specifications and were funded entirely by the Master Developer.

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-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: Resolution (Wells North NIA #4 PID - Pre-SAP)

Table IV-D
Original Cost Allocation of Neighborhood Improvement Area #1 Projects

Authorized Improvements	Total Cost (a)	NIA #1 Major Improvements		NIA #1 Onsite Improvements	
		% Allocation	Share of Costs	% Allocation	Share of Costs
Storm Drainage Improvements	\$782,000	21%	\$161,000	79%	\$621,000
Wastewater Improvements	\$781,000	26%	\$202,000	74%	\$579,000
Water Improvements	\$650,000	12%	\$81,000	88%	\$569,000
Road Improvements	\$3,940,000	13%	\$517,000	87%	\$3,423,000
ROW Acquisition	\$256,000	100%	\$256,000	0%	\$0
CCN Certificate	\$14,000	100%	\$14,000	0%	\$0
Total Authorized Improvements	\$6,423,000		\$1,231,000		\$5,192,000

(a) Table IV-D shows the budgeted costs at the time the Assessments for the Neighborhood Improvement Area Projects were levied. See Table III-B for the final costs of the Neighborhood Improvement Area Projects. The Neighborhood Improvement Area Improvements and Major Improvements were completed and accepted by the City in September 2017. The cost overages for the storm drainage, water and road improvements were the result of upgraded construction specifications and were funded entirely by the Master Developer.

D. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS

The Neighborhood Improvement Area #2 Improvements include the Neighborhood Improvement Area #2 Improvements which will provide a special benefit only to the Property, other than the Non-Benefited Property, in Neighborhood Improvement Area #2. The Actual Costs of the Neighborhood Improvement Area #2 Improvements are, therefore, allocated entirely to Neighborhood Improvement Area #2 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 #2 Projects

Authorized Improvements	Total Cost (a)	NIA #2 Onsite Improvements	
		% Allocation	Share of Costs
Storm Drainage Improvements	\$300,497	100%	\$300,497
Wastewater Improvements	\$358,803	100%	\$358,803
Water Improvements	\$503,745	100%	\$503,745
Road Improvements	\$1,108,917	100%	\$1,108,917
Soft Costs	\$694,879	100%	\$694,879
Total Authorized Improvements	\$2,966,841		\$2,966,841

(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.

E. 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-F. The costs detailed in Table IV-F 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-F
Cost Allocation of Neighborhood Improvement Area #3 Projects

Authorized Improvements	Total Cost (a)	NIA #3 Onsite Improvements	
		% Allocation	Share of Costs
Storm Drainage Improvements	\$170,118	100%	\$170,118
Wastewater Improvements	\$152,974	100%	\$152,974
Water Improvements	\$173,914	100%	\$173,914
Road Improvements	\$552,834	100%	\$552,834
Soft Costs	\$0	100%	\$0
Total Authorized Improvements	\$1,049,841		\$1,049,841

(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.

F. 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-G. The costs detailed in Table IV-G 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-G
Cost Allocation of Neighborhood Improvement Area #4 Projects

Authorized Improvements	Total Cost (a)	NIA #4 Onsite Improvements	
		% Allocation	Share of Costs
Storm Drainage Improvements	\$460,625	100%	\$460,625
Wastewater Improvements	\$333,864	100%	\$333,864
Water Improvements	\$366,022	100%	\$366,022
Road Improvements	\$975,302	100%	\$975,302
Other Soft & Miscellaneous Costs	\$644,141	100%	\$644,141
Total Authorized Improvements	\$2,779,953		\$2,779,953

(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.

G. 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. Table IV-H will be created and amended to show the allocation of Actual Costs for Future Neighborhood Improvement Area Improvements.)

H. 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 Improvement Area Projects 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 relating to the Major Improvement Area Projects 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-H.1 summarizes the updated allocation of the original Special Assessments relating to the Major Improvement Area Bonds for the Assessed Property. Table IV-H.2 summarizes the updated allocation of the outstanding Special Assessments relating to the Major Improvement Area Bonds for the Assessed Property.

Based on the costs provided by the Master Developer for the Major Improvement Area Projects, the City Council has determined that the benefit to the Major Improvement Area Assessed Property from the Major Improvement Area Projects is at least equal to the Special Assessments levied on the Major Improvement Area 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 C, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-H.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-H.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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Table IV-H.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)	Special Assessment Per Unit/SF	Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$821,593	\$70,775	\$4,722	\$407	\$0.
HOA	-	-	\$8,299	\$715	-	-	
<i>Subtotal</i>	<i>174</i>	<i>\$54,375,000</i>	<i>\$829,892</i>	<i>\$71,490</i>			
<i>Phase #3</i>							
60'	58	\$25,056,000	\$382,193	\$32,924	\$6,590	\$568	\$0.
70'	2	\$897,000	\$13,682	\$1,179	\$6,841	\$589	\$0.
HOA	-	-	\$3,999	\$344	-	-	
<i>Subtotal</i>	<i>60</i>	<i>\$25,953,000</i>	<i>\$399,874</i>	<i>\$34,447</i>			
<i>Phase #4</i>							
50'	121	\$39,627,500	\$535,551	\$46,134	\$4,426	\$381	\$0.
60'	16	\$6,240,000	\$84,331	\$7,265	\$5,271	\$454	\$0.
70'	15	\$6,600,000	\$89,197	\$7,684	\$5,946	\$512	\$0.
HOA	-	-	\$7,162	\$617	-	-	
<i>Subtotal</i>	<i>152</i>	<i>\$52,467,500</i>	<i>\$716,241</i>	<i>\$61,699</i>			
<i>Phase #5A</i>							
50'	62	\$21,080,000	\$284,888	\$24,541	\$4,595	\$396	\$0.
60'	48	\$20,736,000	\$280,239	\$24,141	\$5,838	\$503	\$0.
HOA	-	-	\$5,708	\$492	-	-	
<i>Subtotal</i>	<i>110</i>	<i>\$41,816,000</i>	<i>\$570,836</i>	<i>\$49,174</i>			
<i>Phase #5B</i>							
Commercial	61,855	\$7,113,348	\$96,134	\$8,281	\$1.55	\$0.13	\$0.
Commercial	90,605	\$10,419,552	\$140,816	\$12,130	\$1.55	\$0.13	\$0.
Multi-Family	305	\$35,075,000	\$474,025	\$40,834	\$1,554.18	\$133.88	\$0.
HOA	-	-	\$7,182	\$619	-	-	
<i>Subtotal</i>	<i>110</i>	<i>\$52,607,900</i>	<i>\$718,157</i>	<i>\$61,864</i>			
Total	496	\$227,219,400	\$3,235,000	\$278,674			

Note: 1) The Major Improvement Area Special Assessments were allocated as part of the NIA #2 Assessment levy, NIA #3 Assessment levy, NIA #4 Assessment levy. The updates Special Assessment of \$2,005,234 (i.e. \$3,235,000 - \$829,892 - \$399,874 = \$2,005,234) allocations being updated for Phase #5A through Phase #5B.

2) Estimates are based on updated Lot counts and estimated buildout vs provided by the Developer as a part of the original SAP. Although actual unit counts and estimated unimproved land value may vary from the estimates shown above, the initial assessment allocation for each Type will not change unless modified in a Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, any other documents associated with PID Bonds. The above allocations are calculated based on 5.38% interest rate and a 30-year term for PID Bonds and annual administrative expense of \$30,000 increasing at 2.0% per year.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

Table IV-H.2
Major Improvement Area
Outstanding Special Assessment Allocation

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Outstanding Average Annual Installment	Outstanding Special Assessment Per Unit/SF	Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$791,117	\$65,722	\$4,722	\$378	\$0
HOA	-	-	\$7,991	\$664	-	-	
<i>Subtotal</i>	<i>174</i>	<i>\$54,375,000</i>	<i>\$799,108</i>	<i>\$66,386</i>			
<i>Phase #3</i>							
60'	58	\$25,056,000	\$368,016	\$30,285	\$6,345	\$522	\$0
70'	2	\$897,000	\$13,175	\$1,084	\$6,587	\$542	\$0
HOA	-	-	\$3,850	\$317	-	-	
<i>Subtotal</i>	<i>60</i>	<i>\$25,953,000</i>	<i>\$385,041</i>	<i>\$31,686</i>			
<i>Phase #4</i>							
50'	121	\$39,627,500	\$515,685	\$47,897	\$4,262	\$396	\$0
60'	16	\$6,240,000	\$81,203	\$7,542	\$5,075	\$471	\$0
70'	15	\$6,600,000	\$85,888	\$7,977	\$5,726	\$532	\$0
HOA	-	-	\$6,897	\$641	-	-	
<i>Subtotal</i>	<i>152</i>	<i>\$52,467,500</i>	<i>\$689,672</i>	<i>\$64,057</i>			
<i>Phase #5A</i>							
50'	62	\$21,080,000	\$274,320	\$25,479	\$4,425	\$411	\$0
60'	48	\$20,736,000	\$269,844	\$25,063	\$5,622	\$522	\$0
HOA	-	-	\$5,497	\$511	-	-	
<i>Subtotal</i>	<i>110</i>	<i>\$41,816,000</i>	<i>\$549,661</i>	<i>\$51,053</i>			
<i>Phase #5B</i>							
Commercial	61,855	\$7,113,348	\$92,568	\$8,598	\$1.50	\$0.14	\$0
Commercial	90,605	\$10,419,552	\$135,593	\$12,594	\$1.50	\$0.14	\$0
Multi-Family	305	\$35,075,000	\$456,442	\$42,395	\$1,497	\$139	\$0
HOA	-	-	\$6,915	\$642	-	-	
<i>Subtotal</i>	<i>110</i>	<i>\$52,607,900</i>	<i>\$691,518</i>	<i>\$64,228</i>			
Total	496	\$227,219,400	\$3,115,000	\$277,410			

Note: 1) The Major Improvement Area Special Assessments were allocated as part of the NIA #2 Assessment levy, NIA #3 Assessment levy, NIA #4 Assessment levy. The updated Special Assessment of \$2,005,234 (i.e. \$3,235,000 - \$829,892 - \$399,874 = \$2,005,234) allocations are being updated for Phase #5A through Phase #5B.

2) Estimates are based on updated Lot counts and estimated buildout vs provided by the Developer as a part of this SAP updated for NIA Assessment levy. 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 Service Plan Update approved by the City Council, subject to terms of this SAP, the PID Act, and any other documents associated with PID Bonds. The above allocations are calculated based on 5.3 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: Resolution (Wells North NIA #4 PID - Pre-SAP)

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 relating to the Neighborhood Improvement Area #1 Projects 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-I.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Area #1 Assessed Property. Table IV-I.2 summarizes the allocation of the outstanding Special Assessments relating to PID Bonds for the Neighborhood Area #1 Assessed Property.

Based on the costs provided by the Master Developer for the Neighborhood Area #1 Projects, the City Council has determined that the benefit to the Neighborhood Area #1 Assessed Property from the Neighborhood 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 B, 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 #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-I.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-I.1
Neighborhood Improvement Area #1
Original Special Assessment Allocation

Lot Size	Units/SF	Estimated Buildout Value	Total Special Assessment	Annual Installment (1st Full Year After Cap I)	Special Assessment Per Unit/SF	Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #1</i>							
50'	184	\$57,468,000	\$3,186,596	\$240,867	\$17,318	\$1,309	\$0.42
60'	149	\$55,378,800	\$3,070,750	\$232,111	\$20,609	\$1,558	\$0.42
70'	4	\$1,864,800	\$103,403	\$7,816	\$25,851	\$1,954	\$0.42
HOA	-	-	\$64,250	\$4,857	-	-	-
Total	337	\$114,711,600	\$6,425,000	\$485,650			

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 a 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: Resolution (Wells North NIA #4 PID - Pre-SAP)

Table IV-I.2
Neighborhood Improvement Area #1
Outstanding Special Assessment Allocation

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Outstanding Average Annual Installment	Outstanding Special Assessment Per Unit/SF	Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #1</i>							
50'	184	\$57,468,000	\$3,025,407	\$244,603	\$16,442	\$1,329	\$0.43
60'	149	\$55,378,800	\$2,915,421	\$235,711	\$19,567	\$1,582	\$0.43
70'	4	\$1,864,800	\$98,173	\$7,937	\$24,543	\$1,984	\$0.43
HOA	-	-	\$61,000	\$4,932	-	-	
Total	337	\$114,711,600	\$6,100,000	\$493,183			

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 outstanding assessment allocation for each Lot Type will not change unless modified in a 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 to be financed with the PID Reimbursement Agreement and/or Neighborhood Improvement Area #2 Bonds shall be allocated to the Neighborhood Improvement Area #2 Assessed Property by spreading the Special Assessments relating to Neighborhood Improvement Area #2 Improvements 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-J.1 summarizes the allocation of the Special Assessments relating to PID Bonds for the Neighborhood Area #2 Assessed Property. Table IV-J.2 summarizes the allocation of the Special Assessments relating to PID Bonds for the Neighborhood Area #2 Assessed Property.

Based on the costs provided by the Neighborhood Improvement Area #2 Developer for the Neighborhood Area #2 Improvements benefitting Neighborhood 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 in Neighborhood Improvement Area #2 are shown on the Assessment Roll, attached as Appendix C, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-J.1 summarizes the initial allocation of the Special Assessment relating to the Neighborhood Improvement Area #2 Bonds for the Neighborhood Improvement Area #2 Assessed Property at the time the Assessment Ordinance relating to the Neighborhood Improvement Area #2 Bonds was adopted by the City Council. Table IV-J.2 summarizes the outstanding special assessments relating to the Neighborhood Improvement Area #2 Assessed Property.

Table IV-J.1
Neighborhood Improvement Area #2
Original Special Assessment Allocation

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)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$1,881,000	\$146,334	\$10,810	\$841	\$0.27
HOA	-	-	\$19,000	\$1,478	-	-	-
Total	174	\$54,375,000	\$1,900,000	\$147,812			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #2 Developer as part of the update to the SAP relating to the NIA #2 Assessment levy. 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 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 Reimbursement Agreement. The above amounts are calculated based on 3.0%-3.875% interest rates and a 30-year term for the applicable Neighborhood Improvement Area #2 Bonds and annual administrative expense of \$25,000 increasing at 2.0% per year.

Table IV-J.2
Neighborhood Improvement Area #2
Original Special Assessment Allocation

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Outstanding Average Annual Installment	Outstanding Special Assessment Per Unit/SF	Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$1,841,400	\$146,272	\$10,583	\$841	\$0.27
HOA	-	-	\$18,600	\$1,477	-	-	-
Total	174	\$54,375,000	\$1,860,000	\$147,750			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #2 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 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 Reimbursement Agreement. The above amounts are calculated based on 3.0%-3.875% interest rates and a 30-year term for the applicable Neighborhood Improvement Area #2 Bonds and annual administrative expense of \$25,000 increasing at 2.0% per year.

Neighborhood Improvement Area #2 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-H.1, the original Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #2, representing Neighborhood Improvement Area #2 Assessed Property, and the remaining Future 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-J.1. 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 Bonds and the Special Assessments for the

Neighborhood Improvement Area #2 Bonds for the benefit of the Neighborhood Improvement Area #2 Assessed Property is shown in Table IV-K.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-J.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 Bonds and the Special Assessments for the Neighborhood Improvement Area #2 Bonds for the benefit of the Neighborhood Improvement Area #2 Assessed Property is shown in Table IV-K.2.

Table IV-K.1
Neighborhood Improvement Area #2
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)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$2,702,593	\$217,109	\$15,532	\$1,248	\$0.40
HOA	-	-	\$27,299	\$2,193	-	-	-
Total	174	\$54,375,000	\$2,729,892	\$219,302			

Note: The combined amounts show the Phase #2 proportional share of the original Special Assessment for Major Improvement Assessments show in Table IV-H.1 and the Special Assessments for the Neighborhood Improvement Area #2 show in Table IV-J.1 above. Estimates based on updated information provided by the Neighborhood Improvement Area #2 Developer as part of this update to the SAP relating to the NIA #2 Assessment levy.

Table IV-K.2
Neighborhood Improvement Area #2
Outstanding Special Assessment Allocation (Combined)

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Outstanding Average Annual Installment	Outstanding Special Assessment Per Unit/SF	Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per \$100/AV)
<i>Phase #2</i>							
50'	174	\$54,375,000	\$2,632,517	\$211,994	\$15,305	\$1,218	\$0.39
HOA	-	-	\$26,591	\$2,141	-	-	-
Total	174	\$54,375,000	\$2,659,108	\$214,136			

Note: The combined amounts show the Phase #2 proportional share of the outstanding Special Assessment for Major Improvement Assessments show in Table IV-H.2 and the Special Assessments for the Neighborhood Improvement Area #2 show in Table IV-J.2 above. Estimates based on updated information provided by the Neighborhood Improvement Area #2 Developer as part of this update to the SAP relating to the NIA #2 Assessment levy.

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 the PID Reimbursement Agreement and/or Neighborhood Improvement Areas #3-4 Bonds shall be allocated to the Neighborhood

Improvement Area #3 Assessed Property by spreading the entire Special Assessment relating to 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-L.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Area #3 Assessed Property. IV-L.2 summarizes the allocation of the outstanding Special Assessments relating to PID Bonds for the Neighborhood Area #3 Assessed Property.

Based on the costs provided by the Neighborhood Improvement Area #3 Developer for the Neighborhood Area #3 Improvements benefitting Neighborhood Area #3, the City Council has determined that the benefit to the Neighborhood Area #3 Assessed Property from the Neighborhood 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 D, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-L.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 this Service and Assessment Plan update was adopted by the City Council. Table IV-L.2 summarizes the allocation of the outstanding Special Assessment relating to the Neighborhood Improvement Area #3 Assessed Property. This SAP will be updated in the future by the City Council for the issuance of Neighborhood Improvement Areas #3-4 Bonds.

Table IV-L.1
Neighborhood Improvement Area #3
Original Special Assessment Allocation

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)
<i>Phase #3</i>							
60'	58	\$25,056,000	\$951,004	\$84,374	\$16,397	\$1,455	\$0.34
70'	2	\$897,000	\$34,046	\$3,021	\$17,023	\$1,510	\$0.34
HOA	-	-	\$9,950	\$883	-	-	-
Total	60	\$25,953,000	\$995,000	\$88,278			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #3 Developer as part of the update to the SAP relating to the NIA #2 Assessment levy. 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 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 Reimbursement Agreement. The above amounts are calculated based on an estimated interest rate of 4.75% and a 30-year term for the Neighborhood Improvement Areas #3-4 Bonds and annual administrative expense of \$20,000 increasing at 1.0% per year.

Table IV-L.2
Neighborhood Improvement Area #3
Outstanding Special Assessment Allocation

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)
<i>Phase #3</i>							
60'	58	\$25,056,000	\$951,004	\$84,374	\$16,397	\$1,455	\$0.34
70'	2	\$897,000	\$34,046	\$3,021	\$17,023	\$1,510	\$0.34
HOA	-	-	\$9,950	\$883	-	-	-
Total	60	\$25,953,000	\$995,000	\$88,278			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #3 Developer as part of the update to the SAP relating to the NIA #2 Assessment levy. 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 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 Reimbursement Agreement. The above amounts are calculated based on an estimated interest rate of 4.75% and a 30-year term for the Neighborhood Improvement Areas #3-4 Bonds and annual administrative expense of \$20,000 increasing at 1.0% per year.

Neighborhood Improvement Area #3 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-H.1, the original Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #3, representing Neighborhood Improvement Area #3 Assessed Property, and the remaining Future Improvement Areas. The 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-L.1. As a result, the combined 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 Areas #3-4 Bonds for the benefit of the Neighborhood Improvement Area #3 Assessed Property is shown in Table IV-M.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-L.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 Bonds for the benefit of the Neighborhood Improvement Area #2 Assessed Property is shown in Table IV-M.2

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Table IV-M.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)
<i>Phase #3</i>							
60'	58	\$25,056,000	\$1,333,197	\$117,298	\$22,986	\$2,022	\$0.47
70'	2	\$897,000	\$47,728	\$4,199	\$23,864	\$2,100	\$0.47
HOA	-	-	\$13,949	\$1,227	-	-	-
Total	60	\$25,953,000	\$1,394,874	\$122,725			

Note: The combined amounts show the NIA #3 proportional share of the Special Assessment for Major Improvement Assessments shown in Table IV-H.1 and the Special Assessments for the Neighborhood Improvement Area #3 shown in Table IV-L.1. Estimates based on updated information provided by the Neighborhood Improvement Area #3 Developer as part of the update to the SAP relating to the NIA #3 Assessment levy.

Table IV-M.2
Neighborhood Improvement Area #3
Outstanding 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)
<i>Phase #3</i>							
60'	58	\$25,056,000	\$1,333,197	\$117,298	\$22,986	\$2,022	\$0.47
70'	2	\$897,000	\$47,728	\$4,199	\$23,864	\$2,100	\$0.47
HOA	-	-	\$13,949	\$1,227	-	-	-
Total	60	\$25,953,000	\$1,394,874	\$122,725			

Note: The combined amounts show the NIA #3 proportional share of the Special Assessment for Major Improvement Assessments shown in Table IV-H.2 and the Special Assessments for the Neighborhood Improvement Area #3 shown in Table IV-L.2. Estimates based on updated information provided by the Neighborhood Improvement Area #3 Developer as part of the update to the SAP relating to the NIA #3 Assessment levy.

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 with the PID Reimbursement Agreement and/or Neighborhood Improvement Areas #3-4 Bonds shall be allocated to the Neighborhood Improvement Area #4 Assessed Property by spreading the entire Special Assessment relating to 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-N.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Area

#4 Assessed Property. Table IV-N.2 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Area #4 Assessed Property.

Based on the costs provided by the Neighborhood Improvement Area #4 Developer for the Neighborhood Area #4 Improvements benefitting Neighborhood Area #4, the City Council has determined that the benefit to the Neighborhood Area #4 Assessed Property from the Neighborhood 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 E, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-N.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-N.2 summarizes the allocation of the outstanding Special Assessment relating to the Neighborhood Improvement Area #4 Assessed Property. This SAP will be updated in the future by the City Council for the issuance of Neighborhood Improvement Areas #3-4 Bonds.

Table IV-N.1
Neighborhood Improvement Area #4
Original Special Assessment Allocation

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)
<i>Phase #4</i>							
50'	121	\$39,627,500	\$1,544,051	\$128,721	\$12,761	\$1,064	\$0.32
60'	16	\$6,240,000	\$243,136	\$20,269	\$15,196	\$1,267	\$0.32
70'	15	\$6,600,000	\$257,163	\$21,439	\$17,144	\$1,429	\$0.32
HOA	-	-	\$20,650	\$1,722	-	-	-
Total	152	\$52,467,500	\$2,065,000	\$172,151			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #4 Developer as part of this update to the SAP relating to NIA #4 Assessment levy. 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 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 Reimbursement Agreement. The above amounts are calculated based on an interest rate of 5.0% and a 30-year term for the Neighborhood Improvement Areas #3-4 Bonds and annual administrative expense of \$20,000 increasing at 1.0% per year.

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Table IV-N.2
Neighborhood Improvement Area #4
Outstanding Special Assessment Allocation

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)
<i>Phase #4</i>							
50'	121	\$39,627,500	\$1,544,051	\$128,721	\$12,761	\$1,064	\$0.32
60'	16	\$6,240,000	\$243,136	\$20,269	\$15,196	\$1,267	\$0.32
70'	15	\$6,600,000	\$257,163	\$21,439	\$17,144	\$1,429	\$0.32
HOA	-	-	\$20,650	\$1,722	-	-	-
Total	152	\$52,467,500	\$2,065,000	\$172,151			

Note: Estimates are based on information provided by the Neighborhood Improvement Area #4 Developer as part of this update to the SAP relating to NIA #4 Assessment levy. 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 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 Reimbursement Agreement. The above amounts are calculated based on an interest rate of **5.0%** and a 30-year term for the Neighborhood Improvement Areas #3-4 Bonds and annual administrative expense of \$20,000 increasing at 1.0% per year.

Neighborhood Improvement Area #4 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-H.1, the Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #4, representing Neighborhood Improvement Area #4 Assessed Property, and the remaining Future 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-N.1. 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 Areas #3-4 Bonds for the benefit of the Neighborhood Improvement Area #4 Assessed Property is shown in Table IV-O.1 on the following page. 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-N.2. As a result, 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 Areas #3-4 Bonds for the benefit of the Neighborhood Improvement Area #4 Assessed Property is shown in Table IV-O.2 on the following page.

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Table IV-O.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)
<i>Phase #4</i>							
50'	121	\$39,627,500	\$2,079,601	\$174,855	\$17,187	\$1,445	\$0.44
60'	16	\$6,240,000	\$327,467	\$27,534	\$20,467	\$1,721	\$0.44
70'	15	\$6,600,000	\$346,360	\$29,122	\$23,091	\$1,941	\$0.44
HOA	-	-	\$27,812	\$2,339	-	-	-
Total	152	\$52,467,500	\$2,781,241	\$172,151			

Note: The combined amounts show the NIA #4 proportional share of the Special Assessment for Major Improvement Assessments shown in Table IV-H.1 and the Special Assessments for the Neighborhood Improvement Area #4 shown in Table IV-N.1. Estimates based on updated information provided by the Neighborhood Improvement Area #4 Developer as part of this update to the SAP.

Table IV-O.2
Neighborhood Improvement Area #4
Outstanding 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)
<i>Phase #4</i>							
50'	121	\$39,627,500	\$2,079,601	\$174,855	\$17,187	\$1,445	\$0.44
60'	16	\$6,240,000	\$327,467	\$27,534	\$20,467	\$1,721	\$0.44
70'	15	\$6,600,000	\$346,360	\$29,122	\$23,091	\$1,941	\$0.44
HOA	-	-	\$27,812	\$2,339	-	-	-
Total	152	\$52,467,500	\$2,781,241	\$172,151			

Note: The combined amounts show the NIA #4 proportional share of the Special Assessment for Major Improvement Assessments shown in Table IV-H.2 and the Special Assessments for the Neighborhood Improvement Area #4 shown in Table IV-N.2. Estimates based on updated information provided by the Neighborhood Improvement Area #4 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.

I. SPECIAL ASSESSMENT AND ANNUAL INSTALLMENTS

The Special Assessments for the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Area #2 Bonds, and the Neighborhood Improvement Areas #3-4 Bonds will be 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 Area #2 Bonds, and the Neighborhood Improvement Areas #3-4 Bonds and 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.

J. 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 A, Appendix B, Appendix C, Appendix D, and Appendix E, respectively, which are subject to revision through Annual Service Plan Updates.

K. EXCESS 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 “Excess Interest Rate”). With respect to the Special Assessments levied against the Major Improvement Area, Neighborhood Improvement Area #1 and Neighborhood Improvement Area #2, forty percent (40.0%) of the funds generated by the Excess Interest Rate (i.e. 0.20%) per annum will be dedicated to fund the Prepayment Reserve as described in Section IV.L below and the remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (i.e. 0.30%) per annum is dedicated to the Delinquency Reserve as described in Section IV.M below. With respect to the Special Assessments levied against Neighborhood Improvement Area #3 and Neighborhood Improvement Area #4, such Excess Interest Rate will be dedicated to fund the Additional Interest Reserve described in Section IV.N below.

L. PREPAYMENT RESERVE – MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2

As described above, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of a Special Assessment and the date on which related PID Bonds are actually redeemed (the "Prepayment Reserve"). The Prepayment Reserve created under each applicable Indenture 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 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 the prepayment of the Special Assessment, the 0.20% per annum allocated to fund the associated interest charged between the date of prepayment of the Special Assessment and the date on which 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 PID Bonds, the City can allocate the Prepayment Reserve component of the Excess Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the Indenture.

M. DELINQUENCY RESERVE – MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2

As described above, a portion of the funds generated by the Excess Interest Rate will be allocated to offset any possible delinquent payments. This additional reserve (the "Delinquency Reserve") created under each applicable Indenture 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 Excess Interest Rate collected during that year to redeem PID Bonds as set forth in the Indenture.

N. ADDITIONAL INTEREST RESERVE – NEIGHBORHOOD IMPROVEMENT AREA #3 AND NEIGHBORHOOD IMPROVEMENT AREA #4

Funds generated by the Additional Interest Rate related to the Neighborhood Improvement Areas #3-4 Bonds are held in reserves held under the applicable Trust Indenture (the "Additional Interest Reserve"), which may be used to fund the associated interest charged between the date of prepayment of an Assessment and the date on which Neighborhood Improvement Areas #3-4 Bonds are prepaid, to offset any possible delinquent payments and to make transfers to the Redemption Fund as provided for in the applicable Trust Indenture.

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V. SERVICE PLAN

A. INTRODUCTION

The PID Act requires the Service Plan (i) cover a period of at least five years, and (ii) define the annual projected costs and indebtedness for the Public Improvements undertaken within the PID during the five-year period. The Major Improvement Area Projects, the Neighborhood Improvement Area #1 Projects, Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 Improvements have been constructed and accepted by the City. It is anticipated that it will take approximately [REDACTED] months to complete the Neighborhood Improvement Area #4 Improvements and for the City to accept such improvements.

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 \$3,454,050 as shown in Table V-A. 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 \$8,209,506 as shown in Table V-B. The Actual Costs for the Neighborhood Improvement Area #2 Improvements that will benefit Neighborhood Improvement Area #2 Assessed Property plus costs related to the issuance of the Neighborhood Improvement Area #2 Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is \$3,301,974 as shown in Table V-C.2. The Actual Costs for the Neighborhood Improvement Area #3 Projects plus the costs related to the issuance of the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #3), and payment of expenses incurred in the establishment, administration and operation of the PID is \$1,315,714 as shown in Table V-E. The Actual Costs for the Neighborhood Improvement Area #4 Projects plus the costs related to the issuance of the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #4), and payment of expenses incurred in the establishment, administration and operation of the PID is \$5,220,053 as shown in Table V-E. The Service Plan shall be reviewed and updated at least annually for purposes of determining the annual budget for Administrative Expenses, updating the costs of the Public Improvements, and updating Assessment Roll shown on Appendix A, Appendix B, Appendix C, Appendix D, and Appendix E. Any update to this SAP is herein referred as an “Annual Service Plan Update.”

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Table V-A summarizes the sources and uses of funds required to construct the Major Improvement Area Projects, establish the PID, and issue the Major Improvement Area Bonds. 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	\$3,235,000
Development Agreement Contributions (a)	\$219,050
Owner Contribution (b)	\$1,489,408
Total Sources of Funds	\$4,943,458
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (c)	\$3,792,408
Development Agreement Contributions	
City of Celina Regional Park Improvements	\$219,050
Other Fund Deposits	
Debt Service Reserve Fund (d)	\$230,663
Capitalized Interest (e)	\$403,901
Cost of Issuance	\$200,386
Underwriters Discount/Underwriters Counsel (f)	\$97,050
Total Uses of Funds	\$4,943,458

(a) Per the Development Agreement, the Developer was obligated to make certain payments at the closing of the PID Bonds. These payments are not PID qualified improvements and are not security for the PID Bonds.

(b) The Master Developer funded all costs not covered by the Major Improvement Area Bonds.

(c) See Table III-A and Table IV-C for details.

(d) The PID Bonds will include a debt service reserve fund calculated in accordance with IRS rules.

(e) The PID Bonds will include 28.83 months of capitalized interest.

(f) The PID Bonds will have a 3% Underwriter's Discount and Underwriter's Counsel Fee.

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Table V-B summarizes the sources and uses of funds required to construct the Neighborhood Improvement Area #1 Projects, establish the PID, and issue the Neighborhood Improvement Area #1 Bonds. 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	\$6,425,000
Development Agreement Contributions (a)	\$365,950
Owner Contribution (b)	\$1,453,266
Total Sources of Funds	\$8,244,216
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (c)	\$6,457,710
Development Agreement Contributions	
City of Celina Regional Park Improvements	\$365,950
Other Fund Deposits	
Debt Service Reserve Fund (d)	\$447,313
Capitalized Interest (e)	\$440,494
Cost of Issuance	\$340,000
Underwriters Discount/Underwriters Counsel (f)	\$192,750
Total Uses of Funds	\$8,244,216

(a) Per the Development Agreement, the Master Developer was obligated to make certain payments at the closing of the PID Bonds. These payments are not PID qualified improvements and are not security for the PID Bonds.

(b) The Master Developer funded all costs not covered by the Neighborhood Improvement Area #1 Bonds.

(c) See Table III-B and Table IV-D for details.

(d) The PID Bonds will include a debt service reserve fund calculated in accordance with IRS rules.

(e) The PID Bonds will include 16.67 months of capitalized interest.

(f) The PID Bonds will have a 3% Underwriter's Discount and Underwriter's Counsel Fee.

Table V-C.1 summarizes the original sources and uses of funds related to the Neighborhood Improvement Area #2 Improvements under the PID Reimbursement Agreement. Table V-C.2 summarizes the updated sources and uses of funds required to construct the Neighborhood Improvement Area #2 Improvements that will benefit the Neighborhood Improvement Area #2 Assessed Property, pay a portion of the costs related to the administration and operation of the PID and to issue the Neighborhood Improvement Area #2 Bonds. The sources and uses of funds shown in Table V-C.2 shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs.

Table V-C.1
Neighborhood Improvement Area #2 Reimbursement Agreement
Sources and Uses of Funds – Original

Sources of Funds	Amount
Assessments	\$1,900,000
Owner Contribution (a)	\$977,835
Total Sources of Funds	\$2,877,835
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (b)	\$2,877,835
Other Costs	\$0
Total Uses of Funds	\$2,877,835

(a) Per the Development Agreement, the Developer is obligated to fund all costs not covered by the collection of Special Assessments levied against the Neighborhood Improvement Area #2 Assessed Property.

(b) See Table III-C for details.

Table V-C.2
Neighborhood Improvement Area #2 Bonds
Sources and Uses of Funds - Updated

Sources of Funds	Amount
Gross Bond Amount	\$1,900,000
Owner Contribution (a)	\$1,401,974
Total Sources of Funds	\$3,301,974
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (b)	\$2,966,841
Other Fund Deposits	
Debt Service Reserve Fund (c)	\$136,133
Cost of Issuance	\$142,000
Underwriters Discount/Underwriters Counsel (d)	\$57,000
Total Uses of Funds	\$3,301,974

(a) The Neighborhood Improvement Area #2 Developer will fund all costs not covered by the net proceeds of the Neighborhood Improvement Area #2 Bonds.

(b) See Table III-C 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% Underwriter's Discount and Underwriter's Counsel Fee.

Table V-D summarizes the original sources and uses for the PID Reimbursement Agreement relating to the Neighborhood Improvement Area #3 Improvements. An updated sources and uses of funds relating to the Neighborhood Improvement Area #3 Improvements will be provided following the anticipated issue of the Neighborhood Improvement Areas #3-4 Bonds.

Table V-D
Neighborhood Improvement Area #3 Reimbursement Agreement
Sources and Uses of Funds – Original

Sources of Funds	Amount
Assessments	\$995,000
Owner Contribution (a)	\$54,841
Total Sources of Funds	\$1,049,841
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (b)	\$1,049,841
Other Costs	\$0
Total Uses of Funds	\$1,049,841

(a) The Neighborhood Improvement Area #3 Developer will fund all costs not covered by the collection of the Special Assessments levied against the Neighborhood Improvement Area #3 Assessed Property.

(b) See Table III-D for details.

Table V-E summarizes the sources and uses of funds required to construct the Neighborhood Improvement Area #3 Improvements and Neighborhood Improvement Area #4 Improvements that will benefit the Neighborhood Improvement Area #3 Assessed Property and Neighborhood Improvement Area #4 Assessed Property, pay a portion of the costs related to the administration and operation of the PID and to issue the Neighborhood Improvement Areas #3-4 Bonds. 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.

Table V-E
Neighborhood Improvement Areas #3-4 Bonds
Sources and Uses of Funds - Updated

Sources of Funds	Neighborhood Improvement Area #3	Neighborhood Improvement Area #4	Total
Neighborhood Improvement Areas #3-4 Bond Amount	\$995,000	\$2,065,000	\$3,060,000
Other funding sources (a)	\$220,678	\$1,171,703	\$1,392,382
Total Sources	\$1,215,678	\$3,236,703	\$4,452,382
Uses of Funds			
Authorized Improvements (b)	\$1,049,841	\$2,779,953	\$3,829,794
Debt Service Reserve Fund	\$66,338	\$147,000	\$213,338
Costs of Issuance	\$69,650	\$144,550	\$214,200
Capitalized Interest	\$0	\$103,250	\$103,250
Underwriter's Discount	\$29,850	\$61,950	\$91,800
Total Uses	\$1,215,678	\$3,236,703	\$4,452,382

(a) The other funding sources represent projected costs of the Neighborhood Improvement Area #3 Improvements and the Neighborhood Improvement Area #4 Improvements to be paid by the Neighborhood Improvement Area #3 Developer and the Neighborhood Improvement Area #4 Developer, as applicable, in excess of the Neighborhood Improvement Areas #3-4 Bond proceeds.

(b) See Table III-D and Table III-E for details.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

The projected Annual Installments for the first five years after the approval of this SAP update for the Major Improvement Area 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	Reserve Fund Income	Capitalized Interest	Annual PID Installments
2020 & Prior	\$120,000	\$742,450	\$112,748	\$64,400	(\$14,899)	(\$403,902)	\$620,797
2021	\$65,000	\$165,113	\$33,122	\$15,575	\$0	\$0	\$278,810
2022	\$65,000	\$162,106	\$33,785	\$15,250	\$0	\$0	\$276,141
2023	\$70,000	\$159,100	\$34,461	\$14,925	\$0	\$0	\$278,486
2024	\$70,000	\$155,863	\$35,150	\$14,575	\$0	\$0	\$275,588
2025	\$75,000	\$152,625	\$35,853	\$14,225	\$0	\$0	\$277,703
Total	\$465,000	\$1,537,257	\$285,119	\$138,950	(\$14,899)	(\$403,902)	\$2,007,525

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 and Delinquency Reserve and a 30-year term for the initial series of PID Bonds. Administrative expenses are estimated to increase at rate of 2% per year.

The projected Annual Installments for the first five years after the approval of this SAP update for Neighborhood Improvement Area #1 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	Reserve Fund Income	Capitalized Interest	Annual PID Installment
2020 & Prior	\$325,000	\$1,393,451	\$114,748	\$126,915	(\$30,135)	(\$440,494)	\$1,489,485
2021	\$125,000	\$308,094	\$33,122	\$30,500	\$0	\$0	\$496,716
2022	\$125,000	\$302,625	\$33,785	\$29,875	\$0	\$0	\$491,285
2023	\$125,000	\$297,156	\$34,461	\$29,250	\$0	\$0	\$485,867
2024	\$150,000	\$291,688	\$35,150	\$28,625	\$0	\$0	\$505,463
2025	\$150,000	\$285,125	\$35,853	\$27,875	\$0	\$0	\$498,853
Total	\$1,000,000	\$2,878,139	\$287,119	\$273,040	(\$30,135)	(\$440,494)	\$3,967,669

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 and Delinquency Reserve and a 30 year term for the initial series of PID Bonds. Administrative expenses are estimated to increase at rate of 2% per year.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

The projected Annual Installments for the first five years after the approval of this SAP for Neighborhood Improvement Area #2 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	Prepayment Reserve Delinquency Reserve	Reserve Fund Income	Capitalized Interest	Annual PID Installments
2020 & Prior	\$40,000	\$47,800	\$29,600	\$0	\$0	\$0	\$117,400
2021	\$40,000	\$68,188	\$25,000	\$9,300	\$0	\$0	\$142,488
2022	\$40,000	\$66,988	\$25,500	\$9,100	\$0	\$0	\$141,588
2023	\$40,000	\$65,788	\$26,010	\$8,900	\$0	\$0	\$140,698
2024	\$40,000	\$64,588	\$26,530	\$8,700	\$0	\$0	\$139,818
2025	\$45,000	\$63,388	\$27,061	\$8,500	\$0	\$0	\$143,949
Total	\$245,000	\$376,738	\$159,701	\$44,500	\$0	\$0	\$825,939

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 calculated using an interest rate of 3.0% for years 202 through 2025, 3.25% for years 2026 through 2030, 3.75% in years 2031 through 2040 and 3.875% in years 2041 through 2049, 0.50% additional interest for the Prepayment 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 this SAP for the Neighborhood Improvement Area #3 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	Annual PID Installments
2021	\$0	\$47,263	\$20,000	\$0	\$0	\$67,263
2022	\$15,000	\$47,263	\$20,200	\$4,975	\$0	\$87,438
2023	\$15,000	\$46,550	\$20,402	\$4,900	\$0	\$86,852
2024	\$20,000	\$45,838	\$20,606	\$4,825	\$0	\$91,269
2025	\$20,000	\$44,888	\$20,812	\$4,725	\$0	\$90,425
2026	\$20,000	\$43,938	\$21,020	\$4,625	\$0	\$89,583
Total	\$90,000	\$275,738	\$123,040	\$24,050	\$0	\$512,828

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 calculated using an interest rate of 4.75%, 0.50% additional interest for the Additional Interest Reserve and a 30 year term for the Neighborhood Improvement Areas #3-4 Bonds. Administrative expenses are estimated to increase at a rate of 2% per year.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

The projected Annual Installments for the first five years after the approval of this SAP for the Neighborhood Improvement Area #4 are presented in Table V-I. 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-I
Neighborhood Improvement Area #4
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Additional Interest Reserve	Capitalized Interest	Annual PID Installments
2021	\$0	\$103,250	\$25,000	\$0	(\$103,250)	\$25,000
2022	\$35,000	\$103,250	\$25,500	\$10,325	\$0	\$174,075
2023	\$35,000	\$101,500	\$26,010	\$10,150	\$0	\$172,660
2024	\$35,000	\$99,750	\$26,530	\$9,975	\$0	\$171,255
2025	\$40,000	\$98,000	\$27,061	\$9,800	\$0	\$174,861
2026	\$40,000	\$96,000	\$27,602	\$9,600	\$0	\$173,202
Total	\$185,000	\$601,750	\$157,703	\$49,850	(\$103,250)	\$891,053

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 calculated using an interest rate of 5.0%, 0.50% additional interest for the Additional Interest Reserve and a 30 year term for the Neighborhood Improvement Areas #3-4 Bonds. Administrative expenses are estimated to increase at a rate of 2% per year.

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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 A. 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 B. The Special Assessments and Annual Installments for each Neighborhood Improvement Area #2 Assessed Property are shown on the Neighborhood Improvement Area #2 Assessment Roll in Appendix C. The Special Assessments and Annual Installments for each Neighborhood Improvement Area #3 Assessed Property are shown on the Neighborhood Improvement Area #3 Assessment Roll in Appendix D. The Special Assessments and Annual Installments for each Neighborhood Improvement Area #4 Assessed Property are shown on the Neighborhood Improvement Area #4 Assessment Roll in Appendix E.

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 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 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 #2 Assessed Property in an amount sufficient to pay (i) the principal and interest on the Neighborhood Improvement Area #2 Bonds, (ii) to fund the Prepayment Reserve for the Neighborhood Improvement Area #2 Bonds, (iii) to fund the Delinquency Reserve for the Neighborhood Improvement Area #2 Bonds, and (iv) to cover the Administrative Expenses of Neighborhood Improvement Area #2.

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 from Neighborhood Improvement Area #3 Assessed Property in an amount sufficient to pay (i) the principal and interest on the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #3), (ii) to fund the Additional Interest Reserve for the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #3), (iii) to cover the Administrative Expenses of Neighborhood Improvement Area #3.

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 from Neighborhood Improvement Area #4 Assessed Property in an amount sufficient to pay (i) the principal and interest on the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #4), (ii) to fund the Additional Interest Reserve for the Neighborhood Improvement Areas #3-4 Bonds (relating to Neighborhood Improvement Area #4), (iii) to cover the 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 MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, AND NEIGHBORHOOD IMPROVEMENT AREA #4

Upon Division Prior to Recording of Subdivision Plat

The Special Assessments for each initial Parcel are based on the estimated build out value for the number and type of expected Lots within that Parcel shown on the parcel map attached hereto as Appendix H (“the Parcel Map”). The number of each type of Lot contained in each Parcel was counted and the amount of Special Assessments shown on Table IV-H.1, Table IV-I.1, Table IV-J.1, Table IV-L.1, and Table IV-N.1 for each Lot type was added up to calculate the amount of the Special Assessment for each Parcel. For example, as shown for Neighborhood Improvement Area #2 on Table IV-J.1, it includes 170 Lots, as well as the Owner’s Association Special Assessment Allocation. Accordingly, the Special Assessment for all Neighborhood Improvement Area #2 Parcels is \$1,900,000. As Lots are platted in accordance with the Parcel Map, each Lot will be assessed the Special Assessment that it was assigned pursuant to Table IV-H.1, Table IV-I.1, Table IV-J.1, Table IV-L.1 and Table IV-N.1.

If Lots are not platted in accordance with the Parcel Map, the Special Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation

increase the total Special Assessment for each Lot as identified in Table IV-H.1, Table IV-I.1, Table IV-J.1, Table IV-L.1 and Table IV-N.1.

Upon Subdivision by a Recorded Subdivision Plat

Once a Lot has a Special Assessment applied to it, as shown in Table IV-H.1, Table IV-I.1, Table IV-J.1, Table IV-L.1, and Table IV-N.1, and then proceeds to be subdivided again, in no event will the new subdivision cause the sum of the Special Assessments for the subdivided Lots to be greater than the Special Assessment for the Lot prior to its subdivision.

The allocation method used above is to insure there will not be an increase in the Special Assessment for each specific Parcel. If Lots are not platted in accordance with the Parcel Map, the Special Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation increase the total Special Assessment for each Lot as identified in Table IV-H.1, Table IV-I.1, Table IV-J.1, Table IV-L.1, and Table IV-N.1.

Upon Consolidation

Upon the consolidation of two or more Assessed Properties, the Special Assessment for the consolidated Assessed Property shall be the sum of the Special Assessments for the Assessed Properties prior to consolidation. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to this SAP approved by the City Council. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing (as defined in the PID Act) by the City Council.

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

If after all Public Improvements to be funded with a series of PID Bonds have been completed and the Actual Costs for the Public Improvements are less than the Actual Costs used to calculate the Special Assessments securing such PID Bonds, resulting in excess PID Bond proceeds, then the City shall, at its discretion and in accordance with the Indenture related to such series of PID Bonds, reduce the Special Assessment securing the series of PID Bonds for each Assessed Property pro rata such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Actual Costs and such excess PID Bond proceeds shall be applied to redeem PID Bonds of such series. The Special Assessments shall not be reduced to an amount less than the principal amount of the related outstanding series of PID Bonds.

Similarly, if the City does not undertake some of the Public Improvements to be funded with a series of PID Bonds resulting in excess PID Bond proceeds then the City shall, at its discretion and in accordance with the Indenture related to such series of PID Bonds, reduce the Special Assessment securing the PID Bonds for each Assessed Property pro-rata to reflect only the Actual Costs that were expended and apply such excess PID Bond proceeds as described in the paragraph immediately above. The Special Assessments shall not be reduced to an amount less than the principal amount of the related outstanding series of 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 Indenture, net of any other costs applicable to the redemption of PID Bonds.

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 using the applicable interest rates on the Major Improvement Area Bonds of 4.625%, 5.25% and 5.5%, and the applicable interest rates on the Neighborhood Improvement Area #1 Bonds of 4.375%, 5.00% and 5.25%. The Annual Installments shown in the Neighborhood Improvement Area #2 Assessment Roll have been calculated using the applicable interest rates on the Neighborhood Improvement Area #2 Bonds of 3.00%, 3.25, 3.75% and 3.875%. The Annual Installments shown in the Neighborhood Improvement Area #3 Assessment Roll and the Neighborhood Improvement Area #4 Assessment Roll have been calculated using an interest rate on the Neighborhood Improvement Areas #3-4 Bonds of █%. 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, and 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.

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, shall 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 required an Indenture relating to PID Bonds. 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 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.

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 Neighborhood Improvement Area #2 Bonds will be due when billed and will be delinquent if not paid prior to February 1, 2020.

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 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 Neighborhood Improvement Area #3 Assessed Property, (ii) upon issuance of the Neighborhood Improvement Areas #3-4 Bonds, or (iii) the second anniversary of the date of Assessment levy.

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 the earlier of (i) the recording of a final subdivision plat in the official public records of the County for the Neighborhood Improvement Area #4 Assessed Property, (ii) upon issuance of the Neighborhood Improvement Areas #3-4 Bonds, or (iii) the second anniversary of the date of Assessment levy.

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 Improvement Area Projects are constructed and accepted by the City, the proceeds may be utilized in accordance with Section VI.G of this SAP.

K. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREA #1 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Area #1 Bonds 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 Section VI.G of this SAP.

L. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREA #2 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Area #2 Bonds remain after all of the Neighborhood Improvement Area #2 Projects are constructed and accepted by the City, the proceeds may be utilized in accordance with Section VI.G of this SAP.

M. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREAS #3-4 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Areas #3-4 Bonds remain after all of the Neighborhood Improvement Area #3 Projects and Neighborhood Improvement Area #4 Projects are constructed and accepted by the City, the proceeds may be utilized in accordance with Section VI.G of this SAP.

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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 Owners 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 has been assessed for the special benefits conferred upon the property resulting from the Major Improvement Area Projects. Table VII-A summarizes the \$4,724,408 in special benefit received by the Major Improvement Area Assessed Property from the Major Improvements Area Projects, a portion of the costs of the PID formation, and the Major Improvement Area Bond issuance costs. The par amount of the Major Improvement Area Bonds is \$3,235,000, which is less than 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 \$3,235,000 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.G. The Major Improvement Area Assessment Roll is attached hereto as Appendix A.

Table VII-A
Major Improvement Area Bonds
Special Benefit Summary

Special Benefit	Total Cost
Major Improvement Area Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$3,792,408</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$230,663
Capitalized Interest	\$403,901
Underwriter's Discount/Underwriters Counsel	\$97,050
Cost of Issuance	\$200,386
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$932,000</i>
Total Special Benefit	\$4,724,408
Special Benefit	
Total Special Benefit	\$4,724,408
Projected Special Assessment	\$3,235,000
Excess Benefit	\$1,489,408

(a) See Table III-A for details.

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 Neighborhood Improvement Area #1.

The Neighborhood Improvement Area #1 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #1 Projects. Table VII-B summarizes the \$7,878,267 in special benefit received by the Neighborhood Improvement Area #1 Assessed Property from the Neighborhood Improvement Area #1 Projects, a portion of the costs of the PID formation, and the Neighborhood Improvement Area #1 Bond issuance costs. The par amount of the Neighborhood Improvement Area #1 Bonds is \$6,425,000, which is less than 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 \$6,425,000 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.G. The Neighborhood Improvement Area #1 Assessment Roll is attached hereto as Appendix B.

Table VII-B
Neighborhood Improvement Area #1 Bonds
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #1 Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$6,457,710</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$447,313
Capitalized Interest	\$440,494
Underwriter's Discount/Underwriters Counsel	\$192,750
Cost of Issuance	\$340,000
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$1,420,557</i>
Total Special Benefit	\$7,878,267
Special Benefit	
Total Special Benefit	\$7,878,267
Projected Special Assessment	\$6,425,000
Excess Benefit	\$1,453,267

(a) See Table III-B for details.

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 Neighborhood Improvement Area #2.

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 that benefit the Neighborhood Improvement Area #2 Assessed Property. Table VII-C.2 summarizes the \$3,301,974 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, and costs related to financing the Neighborhood Improvement Area #2 Improvements. The amount of the Neighborhood Improvement Area #2 Improvements to be financed by Special Assessments levied against the Neighborhood Improvement Area #2 Assessed Property is \$1,900,000, 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 \$1,900,000 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.G. The Neighborhood Improvement Area #2 Assessment Roll is attached hereto as Appendix C.

Table VII-C.1
Neighborhood Improvement Area #2 Reimbursement Agreement
Special Benefit Summary (Initial)

Special Benefit	Total Cost
Neighborhood Improvement Area #2 Projects	
<i>Total Authorized Improvements (a)</i>	\$2,877,835
Total Special Benefit	\$2,877,835
Special Benefit	
Total Special Benefit	\$2,877,835
Projected Special Assessment	\$1,900,000
Excess Benefit	\$977,835

(a) See Table III-C for details.

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Table VII-C.2
Neighborhood Improvement Area #2 Bonds
Special Benefit Summary (Updated)

Special Benefit	Total Cost
Neighborhood Improvement Area #2 Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$2,966,841</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$136,133
Underwriter's Discount/Underwriters Counsel	\$57,000
Cost of Issuance	\$142,000
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$335,133</i>
Total Special Benefit	\$3,301,974
Special Benefit	
Total Special Benefit	\$3,301,974
Projected Special Assessment	\$1,900,000
Excess Benefit	\$1,401,974

(a) See Table III-C for details.

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 Neighborhood Improvement Area #3.

The Neighborhood Improvement Area #3 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #3 Improvements that benefit the Neighborhood Improvement Area #3 Assessed Property. Table VII-D.2 summarizes the \$1,215,678 in special benefit received by the Neighborhood Improvement Area #3 Assessed Property from the Neighborhood Improvement Area #3 Improvements, a portion of the costs of the PID administration, and costs related to financing the Neighborhood Improvement Area #3 Improvements. The amount of the Neighborhood Improvement Area #3 Improvements to be financed by Special Assessments levied against the Neighborhood Improvement Area #3 Assessed Property is \$995,000, 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 \$995,000 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.G. The Neighborhood Improvement Area #3 Assessment Roll is attached hereto as Appendix D.

Table VII-D.1
Neighborhood Improvement Area #3 Reimbursement Agreement
Special Benefit Summary - Original

Special Benefit	Total Cost
Neighborhood Improvement Area #3 Projects	
<i>Total Authorized Improvements (a)</i>	<i>\$1,049,841</i>
Total Special Benefit	\$1,049,841
Special Benefit	
Total Special Benefit	\$1,049,841
Projected Special Assessment	\$995,000
Excess Benefit	\$54,841

(a) See Table III-D for details.

Table VII-D.2
Neighborhood Improvement Areas #3-4 Bonds
(Relating to Neighborhood Improvement Area #3)
Special Benefit Summary - Updated

Special Benefit	Total Cost
Neighborhood Improvement Areas #3-4 Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$1,049,841</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$66,338
Underwriter's Discount/Underwriters Counsel	\$29,850
Cost of Issuance	\$69,650
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$165,838</i>
Total Special Benefit	\$1,215,678
Special Benefit	
Total Special Benefit	\$1,215,678
Projected Special Assessment	\$995,000
Excess Benefit	\$220,678

(a) See Table III-D for details.

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 Neighborhood Improvement Area #4.

The Neighborhood Improvement Area #4 Assessed Property will be assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #4

Improvements. Table VII-E summarizes the \$3,236,703 in special benefit received by the Neighborhood Improvement Area #4 Assessed Property from the Neighborhood Improvement Area #4 Improvements, a portion of the costs of the PID formation, and the proportional share of Neighborhood Improvement Areas #3-4 Bond issuance costs. The among of the Neighborhood Improvement Area #4 Improvements to be financed by Special Assessments levied against the Neighborhood Improvement Area #4 Assessed Property is \$2,065,000 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 \$2,065,000 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.G. The Neighborhood Improvement Area #4 Assessment Roll is attached hereto as Appendix E.

Table VII-E
Neighborhood Improvement Areas #3-4 Bonds
(Relating to Neighborhood Improvement Area #4)
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #3-4 Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$2,779,953</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$147,000
Underwriter's Discount/Underwriters Counsel	\$61,950
Capitalized Interest	\$103,250
Cost of Issuance	\$144,550
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$456,750</i>
Total Special Benefit	\$3,236,703
Special Benefit	
Total Special Benefit	\$3,236,703
Projected Special Assessment	\$2,065,000
Excess Benefit	\$1,171,703

(a) See Table III-E for details.

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 Roll and the Annual Service Plan Update to reflect changes such as (i) the

identification of each Parcel (ii) the Special Assessment for each 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.H 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 Area #2 Bonds, and the Neighborhood Improvement Areas #3-4 Bonds, any reduction in the Major Improvement Area Special Assessments, Neighborhood Improvement Area #1 Special Assessments, Neighborhood Improvement Area #2 Special Assessments, Neighborhood Improvement Area #3 Special Assessments, 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 Area #2 Bonds, or the Neighborhood Improvement Areas #3-4 Bonds.

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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.

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.

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APPENDIX A
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

Appendix A

Major Improvement Area Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
545
\$3,235,000**

Year ¹	Principal	Interest	Administrative Expenses ²	Prepayment Reserve and Delinquency Reserve	Reserve Fund Income	Capitalized Interest	Total Annual Installment ³
9/30/2016	\$0	\$62,576	\$0	\$0	\$0	(\$62,576)	\$0
9/30/2017	\$0	\$170,662	\$30,600	\$16,175	\$0	(\$170,663)	\$46,774
9/30/2018	\$0	\$170,662	\$23,712	\$16,175	\$0	(\$170,663)	\$39,886
9/30/2019	\$60,000	\$170,662	\$31,836	\$16,175	(\$4,000)	\$0	\$274,673
9/30/2020	\$60,000	\$167,888	\$26,600	\$15,875	(\$10,899)	\$0	\$259,464
9/30/2021	\$65,000	\$165,113	\$33,122	\$15,575	\$0	\$0	\$278,810
9/30/2022	\$65,000	\$162,106	\$33,785	\$15,250	\$0	\$0	\$276,141
9/30/2023	\$70,000	\$159,100	\$34,461	\$14,925	\$0	\$0	\$278,486
9/30/2024	\$70,000	\$155,863	\$35,150	\$14,575	\$0	\$0	\$275,588
9/30/2025	\$75,000	\$152,625	\$35,853	\$14,225	\$0	\$0	\$277,703
9/30/2026	\$75,000	\$149,156	\$36,570	\$13,850	\$0	\$0	\$274,576
9/30/2027	\$80,000	\$145,688	\$37,301	\$13,475	\$0	\$0	\$276,464
9/30/2028	\$85,000	\$141,488	\$38,047	\$13,075	\$0	\$0	\$277,610
9/30/2029	\$90,000	\$137,025	\$38,808	\$12,650	\$0	\$0	\$278,483
9/30/2030	\$95,000	\$132,300	\$39,584	\$12,200	\$0	\$0	\$279,084
9/30/2031	\$100,000	\$127,313	\$40,376	\$11,725	\$0	\$0	\$279,414
9/30/2032	\$100,000	\$122,063	\$41,184	\$11,225	\$0	\$0	\$274,472
9/30/2033	\$105,000	\$116,813	\$42,007	\$10,725	\$0	\$0	\$274,545
9/30/2034	\$115,000	\$111,300	\$42,847	\$10,200	\$0	\$0	\$279,347
9/30/2035	\$120,000	\$105,263	\$43,704	\$9,625	\$0	\$0	\$278,592
9/30/2036	\$125,000	\$98,964	\$44,578	\$9,025	\$0	\$0	\$277,567
9/30/2037	\$130,000	\$92,400	\$45,470	\$8,400	\$0	\$0	\$276,270
9/30/2038	\$140,000	\$85,250	\$46,379	\$7,750	\$0	\$0	\$279,379
9/30/2039	\$145,000	\$77,550	\$47,307	\$7,050	\$0	\$0	\$276,907
9/30/2040	\$155,000	\$69,575	\$48,253	\$6,328	\$0	\$0	\$279,156
9/30/2041	\$160,000	\$61,050	\$49,218	\$5,550	\$0	\$0	\$275,818
9/30/2042	\$170,000	\$52,250	\$50,203	\$4,750	\$0	\$0	\$277,203
9/30/2043	\$180,000	\$42,900	\$51,207	\$3,900	\$0	\$0	\$278,007
9/30/2044	\$190,000	\$33,000	\$52,231	\$3,000	\$0	\$0	\$278,231
9/30/2045	\$200,000	\$22,550	\$53,275	\$2,050	\$0	\$0	\$277,875
9/30/2046	\$210,000	\$11,550	\$54,341	\$1,050	\$0	\$0	\$276,941
Total	\$3,235,000	\$3,472,705	\$1,228,009	\$316,553	(\$14,899)	(\$403,902)	\$7,833,466

1 – The 9/30/XX dates represent the fiscal year end for the 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 assuming a 5.38% interest rate on the Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

APPENDIX B
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

Appendix B Neighborhood Improvement Area #1 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
337**

\$6,425,000

Year ¹	Principal	Interest	Administrative Expenses ²	Prepayment Reserve and Delinquency Reserve	Reserve Fund Income	Capitalized Interest	Total Annual Installment ³
9/30/2016	\$0	\$118,181	\$0	\$0	\$0	(\$118,181)	\$0
9/30/2017	\$0	\$322,314	\$30,600	\$32,125	\$0	(\$322,313)	\$62,726
9/30/2018	\$100,000	\$322,314	\$23,712	\$32,125	\$0	\$0	\$478,151
9/30/2019	\$100,000	\$317,938	\$31,836	\$31,625	(\$9,000)	\$0	\$472,399
9/30/2020	\$125,000	\$312,704	\$28,600	\$31,040	(\$21,135)	\$0	\$476,209
9/30/2021	\$125,000	\$308,094	\$33,122	\$30,500	\$0	\$0	\$496,716
9/30/2022	\$125,000	\$302,625	\$33,785	\$29,875	\$0	\$0	\$491,285
9/30/2023	\$125,000	\$297,156	\$34,461	\$29,250	\$0	\$0	\$485,867
9/30/2024	\$150,000	\$291,688	\$35,150	\$28,625	\$0	\$0	\$505,463
9/30/2025	\$150,000	\$285,125	\$35,853	\$27,875	\$0	\$0	\$498,853
9/30/2026	\$150,000	\$278,563	\$36,570	\$27,125	\$0	\$0	\$492,258
9/30/2027	\$150,000	\$272,000	\$37,301	\$26,375	\$0	\$0	\$485,676
9/30/2028	\$175,000	\$264,500	\$38,047	\$25,625	\$0	\$0	\$503,172
9/30/2029	\$175,000	\$255,750	\$38,808	\$24,750	\$0	\$0	\$494,308
9/30/2030	\$175,000	\$247,000	\$39,584	\$23,875	\$0	\$0	\$485,459
9/30/2031	\$200,000	\$238,250	\$40,376	\$23,000	\$0	\$0	\$501,626
9/30/2032	\$200,000	\$228,250	\$41,184	\$22,000	\$0	\$0	\$491,434
9/30/2033	\$200,000	\$218,250	\$42,007	\$21,000	\$0	\$0	\$481,257
9/30/2034	\$225,000	\$208,250	\$42,847	\$20,000	\$0	\$0	\$496,097
9/30/2035	\$225,000	\$197,000	\$43,704	\$18,875	\$0	\$0	\$484,579
9/30/2036	\$250,000	\$185,750	\$44,578	\$17,750	\$0	\$0	\$498,078
9/30/2037	\$250,000	\$173,250	\$45,470	\$16,500	\$0	\$0	\$485,220
9/30/2038	\$275,000	\$160,125	\$46,379	\$15,250	\$0	\$0	\$496,754
9/30/2039	\$275,000	\$145,688	\$47,307	\$13,875	\$0	\$0	\$481,870
9/30/2040	\$300,000	\$131,250	\$48,253	\$12,500	\$0	\$0	\$492,003
9/30/2041	\$325,000	\$115,500	\$49,218	\$11,000	\$0	\$0	\$500,718
9/30/2042	\$325,000	\$98,438	\$50,203	\$9,375	\$0	\$0	\$483,016
9/30/2043	\$350,000	\$81,375	\$51,207	\$7,750	\$0	\$0	\$490,332
9/30/2044	\$375,000	\$63,000	\$52,231	\$6,000	\$0	\$0	\$496,231
9/30/2045	\$400,000	\$43,313	\$53,275	\$4,125	\$0	\$0	\$500,713
9/30/2046	\$425,000	\$22,313	\$54,341	\$2,125	\$0	\$0	\$503,779
Total	\$6,425,000	\$6,505,954	\$1,230,009	\$621,915	(\$30,135)	(\$440,494)	\$14,312,249

1 – The 9/30/XX dates represent the fiscal year end for the 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 assuming a 5.13% interest rate on the Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

APPENDIX C
NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

Appendix C Neighborhood Improvement Area #2 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
174
\$1,900,000**

Year ¹	Principal	Interest	Administrative Expenses ²	Prepayment Reserve and Delinquency Reserve	Reserve Fund Income	Capitalized Interest	Total Annual Installment ³
9/30/2020	\$40,000	\$47,800	\$29,600	\$0	\$0	\$0	\$117,400
9/30/2021	\$40,000	\$68,188	\$25,000	\$9,300	\$0	\$0	\$142,488
9/30/2022	\$40,000	\$66,988	\$25,500	\$9,100	\$0	\$0	\$141,588
9/30/2023	\$40,000	\$65,788	\$26,010	\$8,900	\$0	\$0	\$140,698
9/30/2024	\$40,000	\$64,588	\$26,530	\$8,700	\$0	\$0	\$139,818
9/30/2025	\$45,000	\$63,388	\$27,061	\$8,500	\$0	\$0	\$143,949
9/30/2026	\$45,000	\$62,038	\$27,602	\$8,275	\$0	\$0	\$142,915
9/30/2027	\$45,000	\$60,575	\$28,154	\$8,050	\$0	\$0	\$141,779
9/30/2028	\$45,000	\$59,113	\$28,717	\$7,825	\$0	\$0	\$140,655
9/30/2029	\$45,000	\$57,650	\$29,291	\$7,600	\$0	\$0	\$139,541
9/30/2030	\$45,000	\$56,188	\$29,877	\$7,375	\$0	\$0	\$138,440
9/30/2031	\$50,000	\$54,725	\$30,475	\$7,150	\$0	\$0	\$142,350
9/30/2032	\$50,000	\$52,850	\$31,084	\$6,900	\$0	\$0	\$140,834
9/30/2033	\$50,000	\$50,975	\$31,706	\$6,650	\$0	\$0	\$139,331
9/30/2034	\$50,000	\$49,100	\$32,340	\$6,400	\$0	\$0	\$137,840
9/30/2035	\$55,000	\$47,225	\$32,987	\$6,150	\$0	\$0	\$141,362
9/30/2036	\$55,000	\$45,163	\$33,647	\$5,875	\$0	\$0	\$139,685
9/30/2037	\$60,000	\$43,100	\$34,320	\$5,600	\$0	\$0	\$143,020
9/30/2038	\$60,000	\$40,850	\$35,006	\$5,300	\$0	\$0	\$141,156
9/30/2039	\$60,000	\$38,600	\$35,706	\$5,000	\$0	\$0	\$139,306
9/30/2040	\$60,000	\$36,350	\$36,420	\$4,700	\$0	\$0	\$137,470
9/30/2041	\$65,000	\$34,100	\$37,149	\$4,400	\$0	\$0	\$140,649
9/30/2042	\$65,000	\$31,581	\$37,892	\$4,075	\$0	\$0	\$138,548
9/30/2043	\$70,000	\$29,063	\$38,649	\$3,750	\$0	\$0	\$141,462
9/30/2044	\$70,000	\$26,350	\$39,422	\$3,400	\$0	\$0	\$139,172
9/30/2045	\$70,000	\$23,638	\$40,211	\$3,050	\$0	\$0	\$136,899
9/30/2046	\$75,000	\$20,925	\$41,015	\$2,700	\$0	\$0	\$139,640
9/30/2047	\$150,000	\$18,019	\$41,835	\$2,325	\$0	\$0	\$212,179
9/30/2048	\$155,000	\$12,206	\$42,672	\$1,575	\$0	\$0	\$211,453
9/30/2049	\$160,000	\$6,200	\$43,526	\$800	\$0	\$0	\$210,526
Total	\$1,900,000	\$1,333,319	\$999,404	\$169,425	\$0	\$0	\$4,402,148

1 – The 9/30/XX dates represent the fiscal year end for the 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 assuming an interest rate of 3.0% for years 2020 through 2025, 3.25% for years 2026 through 2030. 3.75% in years 2031 through 2040 and 3.875% in years 2041 through 2049

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

APPENDIX D
NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL

Appendix D Neighborhood Improvement Area #3 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
60
\$995,000**

Year ¹	Principal	Interest	Administrative Expenses ²	Additional Interest Reserve	Capitalized Interest	Total Annual Installment ³
9/30/2021	\$0	\$47,263	\$20,000	\$0	\$0	\$67,263
9/30/2022	\$15,000	\$47,263	\$20,200	\$4,975	\$0	\$87,438
9/30/2023	\$15,000	\$46,550	\$20,402	\$4,900	\$0	\$86,852
9/30/2024	\$20,000	\$45,838	\$20,606	\$4,825	\$0	\$91,269
9/30/2025	\$20,000	\$44,888	\$20,812	\$4,725	\$0	\$90,425
9/30/2026	\$20,000	\$43,938	\$21,020	\$4,625	\$0	\$89,583
9/30/2027	\$20,000	\$42,988	\$21,230	\$4,525	\$0	\$88,743
9/30/2028	\$20,000	\$42,038	\$21,443	\$4,425	\$0	\$87,905
9/30/2029	\$25,000	\$41,088	\$21,657	\$4,325	\$0	\$92,070
9/30/2030	\$25,000	\$39,900	\$21,874	\$4,200	\$0	\$90,974
9/30/2031	\$25,000	\$38,713	\$22,092	\$4,075	\$0	\$89,880
9/30/2032	\$25,000	\$37,525	\$22,313	\$3,950	\$0	\$88,788
9/30/2033	\$30,000	\$36,338	\$22,313	\$3,825	\$0	\$92,476
9/30/2034	\$30,000	\$34,913	\$22,313	\$3,675	\$0	\$90,901
9/30/2035	\$30,000	\$33,488	\$22,313	\$3,525	\$0	\$89,326
9/30/2036	\$30,000	\$32,063	\$22,313	\$3,375	\$0	\$87,751
9/30/2037	\$35,000	\$30,638	\$22,313	\$3,225	\$0	\$91,176
9/30/2038	\$35,000	\$28,975	\$22,313	\$3,050	\$0	\$89,338
9/30/2039	\$35,000	\$27,313	\$22,313	\$2,875	\$0	\$87,501
9/30/2040	\$40,000	\$25,650	\$22,313	\$2,700	\$0	\$90,663
9/30/2041	\$40,000	\$23,750	\$22,313	\$2,500	\$0	\$88,563
9/30/2042	\$40,000	\$21,850	\$22,313	\$2,300	\$0	\$86,463
9/30/2043	\$45,000	\$19,950	\$22,313	\$2,100	\$0	\$89,363
9/30/2044	\$45,000	\$17,813	\$22,313	\$1,875	\$0	\$87,001
9/30/2045	\$50,000	\$15,675	\$22,313	\$1,650	\$0	\$89,638
9/30/2046	\$50,000	\$13,300	\$22,313	\$1,400	\$0	\$87,013
9/30/2047	\$55,000	\$10,925	\$22,313	\$1,150	\$0	\$89,388
9/30/2048	\$55,000	\$8,312	\$22,313	\$875	\$0	\$86,501
9/30/2049	\$60,000	\$5,700	\$22,313	\$600	\$0	\$88,613
9/30/2050	\$60,000	\$2,850	\$22,313	\$300	\$0	\$85,463
Total	\$995,000	\$907,488	\$655,291	\$90,550	\$0	\$2,648,328

1 – The 9/30/XX dates represent the fiscal year end for the 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 assuming an estimated 5.0% interest rate on the Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

APPENDIX E
PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

Appendix E

Proposed Neighborhood Improvement Area #4 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
152
\$2,065,000**

Year ¹	Principal	Interest	Administrative Expenses ²	Additional Interest Reserve	Capitalized Interest	Total Annual Installment ³
9/30/2021	\$0	\$103,250	\$25,000	\$0	(\$103,250)	\$25,000
9/30/2022	\$35,000	\$103,250	\$25,500	\$10,325	\$0	\$174,075
9/30/2023	\$35,000	\$101,500	\$26,010	\$10,150	\$0	\$172,660
9/30/2024	\$35,000	\$99,750	\$26,530	\$9,975	\$0	\$171,255
9/30/2025	\$40,000	\$98,000	\$27,061	\$9,800	\$0	\$174,861
9/30/2026	\$40,000	\$96,000	\$27,602	\$9,600	\$0	\$173,202
9/30/2027	\$40,000	\$94,000	\$28,154	\$9,400	\$0	\$171,554
9/30/2028	\$45,000	\$92,000	\$28,717	\$9,200	\$0	\$174,917
9/30/2029	\$45,000	\$89,750	\$29,291	\$8,975	\$0	\$173,016
9/30/2030	\$50,000	\$87,500	\$29,877	\$8,750	\$0	\$176,127
9/30/2031	\$50,000	\$85,000	\$30,475	\$8,500	\$0	\$173,975
9/30/2032	\$55,000	\$82,500	\$31,084	\$8,250	\$0	\$176,834
9/30/2033	\$55,000	\$79,750	\$31,706	\$7,975	\$0	\$174,431
9/30/2034	\$60,000	\$77,000	\$32,340	\$7,700	\$0	\$177,040
9/30/2035	\$60,000	\$74,000	\$32,987	\$7,400	\$0	\$174,387
9/30/2036	\$65,000	\$71,000	\$33,647	\$7,100	\$0	\$176,747
9/30/2037	\$70,000	\$67,750	\$34,320	\$6,775	\$0	\$178,845
9/30/2038	\$70,000	\$64,250	\$35,006	\$6,425	\$0	\$175,681
9/30/2039	\$75,000	\$60,750	\$35,706	\$6,075	\$0	\$177,531
9/30/2040	\$80,000	\$57,000	\$36,420	\$5,700	\$0	\$179,120
9/30/2041	\$85,000	\$53,000	\$37,149	\$5,300	\$0	\$180,449
9/30/2042	\$90,000	\$48,750	\$37,892	\$4,875	\$0	\$181,517
9/30/2043	\$90,000	\$44,250	\$38,649	\$4,425	\$0	\$177,324
9/30/2044	\$95,000	\$39,750	\$39,422	\$3,975	\$0	\$178,147
9/30/2045	\$100,000	\$35,000	\$40,211	\$3,500	\$0	\$178,711
9/30/2046	\$105,000	\$30,000	\$41,015	\$3,000	\$0	\$179,015
9/30/2047	\$110,000	\$24,750	\$41,835	\$2,475	\$0	\$179,060
9/30/2048	\$120,000	\$19,250	\$42,672	\$1,925	\$0	\$183,847
9/30/2049	\$125,000	\$13,250	\$43,526	\$1,325	\$0	\$183,101
9/30/2050	\$140,000	\$7,000	\$44,396	\$700	\$0	\$192,096
Total	\$2,065,000	\$1,999,000	\$1,014,202	\$189,575	(\$103,250)	\$5,164,527

1 – The 9/30/XX dates represent the fiscal year end for the 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 assuming an estimated 5.0% interest rate on the Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

APPENDIX F
LEGAL DESCRIPTION FOR PARCELS WITHIN THE PID

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

Appendix F

Legal Descriptions for Parcels within PID

LAND DESCRIPTION ENTIRE PID PROPERTY (approximately 244.136 acres)

TRACT 1:

233.738 ACRES

BEING a tract of land out of the Shelby Glass Survey, Abstract No. 346 and the J. Cahill Survey, Abstract No. 171, Collin County, Texas, and being part of a tract of land depicted in Special Warranty Deed to George White Family Limited Partnership, recorded in Clerk's File No. 2005-0005697, Official Public Records of Real Property of Collin County, Texas, said tract also being part of a tract of land described as "1st Tract" in deed to Mary G. White recorded in Volume 142, Page 343, Deed Records of Collin County, Texas and being more particularly described as follows:

COMMENCING at a ½" iron rod found in County Road No. 88 at the northeast corner of a called 35.814 acre tract of land described in Special Warranty Deed to CTMGT CR 2C FL-2, LLC, recorded in Instrument No. 20130829001223660, Official Public Records of Collin County;

THENCE along the east line of said 35.814 acre tract, South 00°33'04" East, a distance of 39.13 feet to a 5/8" iron rod with "KHA" cap found in the south right-of-way line of said County Road No. 88, for the northwest corner of a called 75.0000 acre tract of land described in Special Warranty Deed to Collin County Community College District, recorded in Instrument No. 20090818001039820, Official Public Records of Collin County;

THENCE departing the said east line of called 35.814 acre tract, along the south right-of-way line of said County Road No. 88 and the north line of said 75.0000 acre tract, the following courses and distances:

North 89°38'04" East, a distance of 854.43 feet to a 5/8" iron rod with "KHA" cap found for corner at the beginning of a tangent curve to the right with a radius of 1,356.38 feet, a central angle of 39°54'51" and a chord bearing and distance of South 70°24'31" East, 925.91 feet;

In a southeasterly direction along said curve, an arc distance of 944.90 feet to a 5/8" iron rod with "KHA" cap found at the beginning of a reverse curve to the left with a radius of 1,396.84 feet, a central angle of 40°11'41" and a chord bearing and distance of South 70°32'56" East, 959.96 feet for the northeast corner of said 75.000 acre tract and the POINT OF BEGINNING;

THENCE continuing along the south right-of-way line of said County Road No. 88, the following courses and distances:

In a southeasterly direction along said curve, an arc distance of 979.93 feet to a 5/8" iron rod with "KHA" cap found at the end of said curve;

North 89°21'13" East, a distance of 22.58 feet (Deed 22.79') to a 5/8" iron rod with "KHA" cap found for corner in the west line of a called 115.503 acre tract of land described in Special Warranty Deed to Westgate 115 Investors, L.P., recorded in Instrument No. 20130621000869270, Official Public Records of Collin County, Texas; from said point a 1/2" iron rod with "Metroplex 1849" cap found for witness bears North 00°55'47" West, a distance of 6.25 feet;

THENCE along the said west line of called 115.503 acre tract, South 00°55'47" East, at a distance of 1,949.66 feet, passing a 1/2" iron rod with "Metroplex 1849" cap found, continuing along the west line of said 115.503 acre tract, at a distance of 3,612.06 feet, passing the northwest corner of a tract of land described in General Warranty Deed to William K. Wood and Kathy D. Wood recorded in Instrument No. 20080310000279150, Official Public Records of Collin County, Texas, continuing along the west line of said Wood tract, at a distance of 4,075.82 feet, passing a 1/2" iron rod found at the southwest corner of said Wood tract and the northwest 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, continuing with the west line of the second referenced Wood tract, in all a total distance of 4,629.12 feet to a 5/8" iron rod with "KHA" cap found for corner in County Road No. 83;

THENCE departing the said west line of the second reference Wood tract and along the north right-of-way line of County Road No. 83 and the north line of a called 76.69 acre tract of land described in Special Warranty Deed to Collin County Investments, Ltd., recorded in Volume 5419, Page 2461, Official Public Records of Collin

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

County, Texas, South 89°30'11" West, a distance of 2,678.92 feet (Deed calls 2,663.76 feet) to a PK nail found for the southeast corner of The Carter Ranch Phase III, an addition to the City of Celina according to the plat recorded in Cabinet 2006, Page 460 of the Map Records of Collin County, Texas and in Instrument No. 20060714010003020, of Official Public Records of Collin County, Texas;

THENCE North 00°33'04" West, at a distance of 58.02 feet, passing the southeast corner of Lot IX, Block B, said The Carter Ranch Phase III, continuing along the east line of said Block B, at a distance of 1,052.02 feet, passing a 5/8" iron rod with "Huitt Zollars" cap found at the northeast corner of Lot 26 of said Block B and the southeast corner of the east terminus of Andalusian Trail (a 50-foot wide right-of-way), continuing along the said east terminus of Andalusian Trail, at a distance of 1,102.02 feet, passing a 5/8" iron rod with "Huitt Zollars" cap found at the northeast corner of the said east terminus of Andalusian Trail and the southeast corner of Lot 20, Block L, said The Carter Ranch Phase III, continuing along the east line of said Block L, at a distance of 1,801.02 feet, passing the northeast corner of Lot IX, of said Block L and the southeast corner of the east terminus of Carter Ranch Boulevard (an 80-foot wide right-of-way), continuing along the said east terminus of Carter Ranch Boulevard, at a distance of 1,881.02 feet, passing the northeast corner of said terminus of Carter Ranch Boulevard and the southeast corner of Lot Z-1, Block Z, The Carter Ranch Phase IIA, an addition to the City of Celina, Texas according to the plat recorded in Cabinet 2007, Page 292, Map Records of Collin County, Texas and in Instrument No. 20070531010001890, Official Public Records of Collin County, Texas, continuing along the east line of said

Block Z, at a distance of 3,149.24 feet to a 5/8" iron rod with "KHA" cap found for the southwest corner of aforesaid called 75.000 acre tract;

THENCE along the south line of said 75.000 acre tract, North 89°26'56" East, a distance of 1,665.00 to a 5/8" iron rod with "KHA" cap found at the southeast corner of said 75.000 acre tract;

THENCE, along the east line of said 75.000 acre tract, the following courses and distances:

North 00°33'04" West, a distance of 242.54 feet to a 5/8" iron rod with "KHA" cap found at the beginning of a tangent curve to the left having a central angle of 23°51'09", a radius of 1,000.00 feet, a chord bearing and distance of North 12°28'39" West, 413.30 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 416.30 feet to a 5/8" iron rod with "KHA" cap found for corner;

North 24°24'13" West, a distance of 239.76 feet to a 5/8" iron rod with "KHA" cap found at the beginning of a tangent curve to the right having a central angle of 63°57'09", a radius of 750.00 feet, a chord bearing and distance of North 7°34'21" East, 794.35 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 837.13 feet to a 5/8" iron rod with "KHA" cap found for corner;

North 39°32'55" East, a distance of 200.00 feet to the POINT OF BEGINNING and containing 233.738 acres or 10,181,614 square feet of land, more or less.

TRACT 2

10.3980 ACRES

BEING a tract of land out of the Shelby Glass Survey, Abstract No. 346, Collin County, Texas, and being part of a tract of land depicted in Special Warranty Deed to George White Family Limited Partnership, recorded in Clerk's File No.

2005-0005697, Official Public Records of Real Property of Collin County, Texas, and also being part of the tract of land described as "1st Tract" in deed to Mary G. White recorded in Volume 142, Page 343 of the Deed Records of Collin County, Texas; said tract also being all of the same resultant tract of land defined by the Right-of-Way Dedication to Collin County recorded in Instrument No. 20061122001662300, Official Public Records of Collin County, Texas and being more particularly described as follows:

COMMENCING at a 1/2" iron rod found in County Road No. 88 at the northeast corner of a called 35.814 acre tract of land described in Special Warranty Deed to CTMGT CR 2C FL-2, LLC recorded in Instrument No. 20130829001223660, Official Public Records of Collin County, Texas;

THENCE along the east line of said 35.814 acre tract, South 00°33'04" East a distance of 39.13 feet to a 5/8" iron rod with "KHA" cap found on the south right-of-way line of said County Road No. 88, for the northwest corner of a called 75.0000 acre tract of land described in Special Warranty Deed to Collin County Community College District recorded in Instrument No. 20090818001039820, Official Public Records of Collin County;

THENCE, along the south right-of-way line of County Road No. 88 and north line of said 75.0000 acre tract, North 89°38'04" East, a distance of 854.43 feet to a 5/8" iron rod with "KHA" cap found for the point of beginning of a tangent curve to the right;

THENCE, departing the said south right-of-way line of County Road No. 88 and north line of said 75.000 acre tract, South 88°48'06" West, a distance of 511.14 feet to a 5/8" iron rod with "KHA" cap set for corner on a north right-of-way line of said County Road No. 88 for the POINT OF BEGINNING;

THENCE along a south right-of-way line of said County Road No. 88, the following courses and distances:

North 00°50'34" West, a distance of 25.47 feet to a 5/8" iron rod with "KHA" cap set for corner;

North 89°09'26" East, a distance of 1,192.91 feet to a 5/8" iron rod with "KHA" cap found for corner at the northern most end of a right-of-way corner clip at the intersection of said south right-of-way line and the west right-of-way line of County Road No. 86 (a variable width right-of-way);

THENCE along said right-of-way corner clip, South 45°30'03" East, a distance of 70.29 feet to a 5/8" iron rod with "KHA" cap found for corner at the southernmost end of said corner clip;

THENCE along the said west right-of-way line of County Road No. 86, South 00°09'32" East, a distance of 533.28 feet to a 5/8" iron rod with "KHA" cap found for corner at the intersection of the said west right-of-way line of County Road No. 86 and the north right-of-way line of County Road No. 88; said point also being at the beginning of a non-tangent curve to the right having a radius of 1,316.84 feet, a central angle of 39°15'29", a chord bearing and distance of North 70°04'50" West, 884.73 feet;

THENCE along the said north right-of-way line of County Road No. 88, the following courses and distances:

In a northwesterly direction, along said curve, an arc distance 902.28 feet to a 5/8" iron rod with "KHA" cap set at the beginning of a reverse curve to the left with a radius of 1,436.38 feet, a central angle of 19°04'36", and a chord bearing and distance of North 59°59'23" West, 476.04 feet;

In a northwesterly direction, along said curve, an arc distance of 478.24 feet to the POINT OF BEGINNING and containing 10.3980 acres or 452,936 square feet of land.

LAND DESCRIPTION

Neighborhood Improvement Area #1
(approximately 91.35 acres)

WHEREAS Bluewood Phase 1, LLC, Celina Development North, LLC, and Celina Independent School District are the owners of a tract of land situated in the John Cahill Survey, Abstract No. 171, and in the Shelby Glass Survey, Abstract No. 346, Collin County, Texas, and being a portion of a tract of land described in instrument to Bluewood Phase 1, LLC, recorded in Document No. 20161114001545920 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being a portion of a tract of land described in instrument to Celina Development North, LLC, recorded in Document No. 20160324000349770, O.P.R.C.C.T., and also being a portion of Streets 1 , 2, and 3 as described in instrument to the City of Celina, recorded in Document No. 20160421000479030 and corrected in Document No. 20160831001160750 , O.P.R.C.C.T., and being more particularly described as follows:

BEGINNING at a 5/8" iron rod set with plastic cap stamped "Huitt-Zollars Cap at the southwest corner of a called 75.0000 acre tract of land described in instrument to Collin County Community College District, recorded under Document No. 20090818001039820, O.P.R.C.C.T., and being in the east line of The Carter Ranch Phase IIA, an addition to the City of Celina, Texas, recorded in Cabinet 2007, Page 292 of the Map Records of Collin County Texas (M.R.C.C.T.);

THENCE, North 89 degrees 26 minutes 56 seconds East along the south line of said Collin County Community College District tract, passing at a distance of 1,665.00 feet a 5/8 inch iron rod found with plastic cap stamped □□□□ at the southeast corner of said Collin County Community College District tract, in all a total distance of 1,704.99 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 115.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 26 minutes 56 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 26 minutes 56 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 117.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 26 minutes 56 seconds East, a distance of 200.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 82 degrees 37 minutes 23 seconds East, a distance of 74.46 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 67 degrees 33 minutes 04 seconds East, a distance of 245.29 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 74 degrees 01 minute 18 seconds East, a distance of 28.24 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 80 degrees 47 minutes 31 seconds East, a distance of 48.87 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 04 minutes 13 seconds East, a distance of 263.93 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 55 minutes 47 seconds West, a distance of 6.87 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 04 minutes 13 seconds East, a distance of 117.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 55 minutes 47 seconds East, a distance of 550.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 04 minutes 13 seconds West, a distance of 117.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 55 minutes 47 seconds East, a distance of 36.87 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 04 minutes 13 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 55 minutes 47 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 04 minutes 13 seconds West, a distance of 310.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 86 degrees 27 minutes 31 seconds West, a distance of 47.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 76 degrees 22 minutes 01 second West, a distance of 44.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 67 degrees 33 minutes 04 seconds West, a distance of 249.83 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 83 degrees 14 minutes 35 seconds West, a distance of 41.23 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 26 minutes 56 seconds West, a distance of 121.21 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 118.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 33 minutes 04 seconds East, a distance of 91.43 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 34 degrees 30 minutes 10 seconds East, a distance of 131.20 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 07 degrees 51 minutes 53 seconds, a radius of 303.50 feet, subtended by a 41.63 foot chord which bears South 69 degrees 33 minutes 11 seconds East;

THENCE, along said curve to the left an arc distance of 41.66 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 16 degrees 30 minutes 52 seconds West, a distance of 14.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 03 degrees 36 minutes 42 seconds, a radius of 317.50 feet, subtended by a 20.01 foot chord which bears South 75 degrees 17 minutes 29 seconds East;

THENCE, along said curve to the left an arc distance of 20.01 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 16 degrees 30 minutes 52 seconds West, a distance of 65.11 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 02 degrees 59 minutes 50 seconds, a radius of 382.50 feet, subtended by a 20.01 foot chord which bears North 74 degrees 59 minutes 03 seconds West;

THENCE, along said curve to the right an arc distance of 20.01 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 16 degrees 30 minutes 52 seconds West, a distance of 32.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 350.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 41 degrees 31 minutes 49 seconds West, a distance of 11.46 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 106.49 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 230.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 39.54 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a curve to the right having a central angle of 20 degrees 43 minutes 47 seconds, a radius of 540.00 feet, subtended by a 194.31 foot chord which bears South 09 degrees 52 minutes 04 seconds West;

THENCE, along said curve to the right an arc distance of 195.37 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 23.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 65 degrees 29 minutes 49 seconds West, a distance of 21.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 247.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 65 degrees 29 minutes 49 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 247.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 43.39 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 65 degrees 29 minutes 49 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 24 degrees 30 minutes 11 seconds West, a distance of 109.05 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 193.80 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 13.40 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 130.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on the north right of way line of County Road 83 (70 foot wide right of way) as described in instrument to the City of Celina, recorded in Document No. 20160421000479030 , O.P.R.C.C.T;

THENCE, South 89 degrees 30 minutes 11 seconds West, along the north right of way line of said County Road 83, a distance of 632.89 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 29 minutes 49 seconds West, departing the north right of way line of said County Road 83, a distance of 28.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 120.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 29 minutes 49 seconds West, a distance of 304.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 96.57 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a curve to the right having a central angle of 25 degrees 00 minutes 00 seconds, a radius of 225.00 feet, subtended by a 97.40 foot chord which bears South 77 degrees 59 minutes 49 seconds East;

THENCE, along said curve to the right an arc distance of 98.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 93.21 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 281 degrees 58 minutes 50 seconds, a radius of 60.00 feet, subtended by a 75.53 foot chord which bears North 38 degrees 53 minutes 19 seconds East;

THENCE, along said curve to the left an arc distance of 295.29 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 24 degrees 30 minutes 11 seconds East, a distance of 115.71 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 50.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 24 degrees 30 minutes 11 seconds East, a distance of 115.71 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 65 degrees 29 minutes 49 seconds West, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 24 degrees 30 minutes 11 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 65 degrees 29 minutes 49 seconds East, a distance of 20.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 24 degrees 30 minutes 11 seconds East, a distance of 123.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 65 degrees 29 minutes 49 seconds West, a distance of 237.62 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 79 degrees 43 minutes 51 seconds West, a distance of 50.24 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars"

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 395.96 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 108.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 45 degrees 29 minutes 49 seconds East, a distance of 14.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 30 minutes 11 seconds East, a distance of 23.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 23.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 44 degrees 30 minutes 11 seconds West, a distance of 14.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 22.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 29 minutes 49 seconds West, a distance of 22.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 45 degrees 29 minutes 49 seconds West, a distance of 14.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars"

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 215.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 44 degrees 30 minutes 11 seconds West, a distance of 14.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 00 degrees 29 minutes 49 seconds East, a distance of 25.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 29 minutes 49 seconds West, a distance of 30.13 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars"

THENCE, South 89 degrees 30 minutes 11 seconds West, a distance of 120.57 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" in the east line of The Carter Ranch Phase III, an addition to the City of Celina, Texas, recorded in Cabinet 2006, Page 460, M.R.C.C.T. ;

THENCE, along the easterly lines of The Carter Ranch Phase III, an addition to the City of Celina, Texas, recorded in Cabinet 2006, Page 460, M.R.C.C.T., and said Carter Ranch Phase IIA, North 00 degrees 33 minutes 04 seconds West, passing at a distance of 1,199.00 feet a 5/8 inch iron rod found with plastic cap stamped "Huitt-Zollars" at the northeast corner of Carter Ranch Road (an 80 foot right of way), as shown on said Carter Ranch IIA plat, in all a total distance of 2,467.11 feet to the POINT OF BEGINNING and CONTAINING 103.35 acres of land, more or less.

SAVE & EXCEPT TRACT

BEING all of a 12.00 acre tract of land described in instrument to Celina Independent School District, recorded in Document No. 20160404000401310, O.P.R.C.C.T.,

GROSS AREA - 103.35 Acres

NET AREA - 91.35 Acres

LAND DESCRIPTION

Neighborhood Improvement Area #2
(approximately 33.60 acres)

WHEREAS BLUEWOOD PHASE 2A, is the owner of a tract of land situated in the J. Cahill Survey, Abstract No. 171, City of Celina, Collin County, Texas, the subject tract being a portion of a tract conveyed to Celina Development North, LLC, as described by deed recorded in Document No. 20160609000720900 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 with plastic cap found for an inset corner of Bluewood Phase 1, an addition recorded in Cabinet 2017, Page 745, Plat Records, Collin County, Texas (PRCCT), being the southwest corner of Lot 1, Block H thereof;

THENCE along the common line of Bluewood Phase 1, the following:

N 89°27'08" E, 121.21 feet;

S 83°14'23" E, 41.23 feet;

S 67°32'52" E, 249.83 feet;

S 76°21'49" E, 44.00 feet to a 5/8" iron rod with plastic cap found;

S 86°27'19" E, 47.78 feet to a 5/8" iron rod with plastic cap found;

N 89°04'25" E, 310.00 feet to a 5/8" iron rod with plastic cap found;

S 00°55'35" E, 20.00 feet;

N 89°04'25" E, 50.00 feet;

N 00°55'35" W, 36.87 feet to a 5/8" iron rod with plastic cap found;

And N 89°04'25" E, 117.07 feet to a 1/2" iron rod with plastic cap stamped "SPIARSENG" set for southeasterly corner of Bluewood Phase 1, and being on the west line of a tract conveyed to Westgate HS Celina Investments LP, recorded in Document No. 20171219001670750 DRCCT;

S 00°55'35" E, along the west line thereof, passing at 1188.54 a southwest corner thereof, and being the northwest corner of a tract conveyed to City of Celina, recorded in Document No. 20170710000893950 DRCCT, and continuing along the west line thereof a total distance of 1327.59 feet;

THENCE departing the west line thereof, the following:

S 89°04'25" W, 117.07 feet;

N 00°55'35" W, 95.09 feet;

S 89°04'25" W, 616.70 feet;

A tangent curve to the left having a central angle of 13°01'11", a radius of 360.00 feet, a chord of S 82°33'50" W - 81.63 feet, an arc length of 81.81 feet;

S 76°03'15" W, 67.87 feet;

A tangent curve to the right having a central angle of 13°27'09", a radius of 640.00 feet, a chord of S 82°46'49" W - 149.92 feet, an arc length of 150.26 feet;

S 89°30'23" W, 97.22 feet;

And a tangent curve to the right having a central angle of 26°55'32", a radius of 500.00 feet, a chord of N 77°01'51" W - 232.81 feet, an arc length of 234.97 feet to a 1/2" iron rod with plastic cap stamped "SPIARSENG" set on the east line of Bluewood Phase 1;

THENCE along an easterly line of Bluewood Phase 1, the following:

N 24°30'23" E, 123.22 feet;

S 65°29'37" E, 21.50 feet;

N 24°30'23" E, 50.00 feet;

N 65°29'37" W, 23.00 feet;

A non-tangent curve to the left having a central angle of 20°43'47", a radius of 540.00 feet, a chord of N 09°52'16" E - 194.31 feet, an arc length of 195.37 feet;

N 00°29'37" W, 39.54 feet;

N 89°30'23" E, 20.00 feet;

N 00°29'37" W, 50.00 feet;

S 89°30'23" W, 20.00 feet;

N 00°29'37" W, 230.00 feet;

N 89°30'23" E, 20.00 feet;

N 00°29'37" W, 50.00 feet;

S 89°30'23" W, 20.00 feet;

N 00°29'37" W, 106.49 feet;

N 41°32'01" E, 11.46 feet;

N 89°30'23" E, 350.07 feet;

N 16°31'04" E, 32.14 feet;

A non-tangent curve to the left having a central angle of 02°59'50", a radius of 382.50 feet, a chord of S 74°58'51" E - 20.01 feet, an arc length of 20.01 feet;

N 16°31'04" E, 65.11 feet;

A non-tangent curve to the right having a central angle of 03°36'42", a radius of 317.50 feet, a chord of N 75°17'16" W - 20.01 feet, an arc length of 20.01 feet;

N 16°31'04" E, 14.00 feet;

A non-tangent curve to the right having a central angle of 07°51'53", a radius of 303.50 feet, a chord of N 69°32'59" W - 41.63 feet, an arc length of 41.66 feet;

N 34°29'58" W, 131.20 feet;

N 00°32'52" W, 91.43 feet;

N 89°30'23" E, 20.00 feet;

N 00°32'52" W, 50.00 feet;

S 89°30'23" W, 20.00 feet;

And N 00°32'52" W, 118.50 feet to the POINT OF BEGINNING with the subject tract containing 1,463,444 square feet or 33.596 acres of land.

LAND DESCRIPTION

Neighborhood Improvement Area #3
(approximately 13.420 acres)

BEING a tract of land situated in the J. Cahill Survey, Abstract No. 171, City of Celina, Collin County, Texas, the subject tract being a portion of a tract of land conveyed to Celina Development North, LLC according to the deed recorded in Document No. 20160609000720900 of the Deed Records, Collin County, Texas (DRCCT), with the subject tract being more particularly described as follows:

BEGINNING at the northwest corner of a right-of-way dedication for County Road 83, also known as Ownsby Parkway, recorded in Document No. 20160421000479030 DRCCT, also being on the east line of The Carter Ranch Phase III, an addition recorded in Cabinet 2006, Page 461 of the Plat Records, Collin County, Texas;

THENCE N 00°32'52" W, 612.13 feet along the east line of The Carter Ranch Phase III to the southwest corner of Bluewood Phase I, an addition recorded in Cabinet 2017, Page 745 and amended in Cabinet 2019, Page 182 PRCCT;

THENCE along the common line thereof, the following:

N 89°30'23" E, 120.57 feet;

S 00°29'37" E, 30.13 feet;

N 89°30'23" E, 50.00 feet;

N 00°29'37" W, 25.00 feet;

N 44°30'23" E, 14.14 feet;

N 89°30'23" E, 215.00 feet;

S 45°29'37" E, 14.14 feet;

S 00°29'37" E, 22.00 feet;

N 89°30'23" E, 50.00 feet;

N 00°29'37" W, 22.00 feet;

N 44°30'23" E, 14.14 feet;

N 89°30'23" E, 23.00 feet;

N 00°29'37" W, 50.00 feet;

S 89°30'23" W, 23.00 feet;

N 45°29'37" W, 14.14 feet;

N 00°29'37" W, 108.50 feet;

N 89°30'23" E, 395.96 feet to a 5/8" iron rod with plastic cap found;

S 79°43'39" E, 50.24 feet to a 5/8" iron rod with plastic cap found;

S 65°29'37" E, 237.62 feet;

S 24°30'23" W, 123.50 feet;

N 65°29'37" W, 20.00 feet;

S 24°30'23" W, 50.00 feet;

S 65°29'37" E, 20.00 feet to a 5/8" iron rod with plastic cap found;

S 24°30'23" W, 115.71 feet;

N 65°29'37" W, 17.43 feet;

S 24°30'23" W, 127.42 feet;

Around a non-tangent curve to the right having a central angle of 245°25'50", a radius of 60.00 feet, a chord of S 77°00'39" W - 100.96 feet, an arc length of 257.01 feet;

N 65°29'37" W, 64.61 feet;

Around a tangent curve to the left having a central angle of 25°00'00", a radius of 225.00 feet, a chord of N 77°59'37" W - 97.40 feet, an arc length of 98.17 feet;

S 89°30'23" W, 96.57 feet;

S 00°29'37" E, 310.00 feet;

S 89°30'23" W, 120.00 feet;

And S 00°29'37" E, 22.00 feet to a 5/8" iron rod with plastic cap found on the north line of County Road 83;

THENCE S 89°30'23" W, 454.99 feet along the north line thereof to the POINT OF BEGINNING with the subject tract containing 584,580 square feet or 13.420 acres of land.

APPENDIX G
TAX RATE AND LEVERAGE SCHEDULE

Appendix F**Tax Rate Equivalent (TRE) and Leverage per Projected Assessed Value and Projected Lot Value**

Lot Size	Units/SF	Projected AV per Unit/SF	Projected Lot Value per Unit/SF	Total Assessment per Unit/SF	Annual Installment Per Unit/SF	TRE (per \$100 AV)	TRE (per \$100 Lot Value)	Leverage (AV)	Levera (Lot Val
<i>Phase #1</i>									
50'	184	\$312,326	\$62,465	\$17,318	\$1,309	\$0.42	\$2.10	18.03	
60'	149	\$371,670	\$74,334	\$20,609	\$1,558	\$0.42	\$2.10	18.03	
70'	4	\$466,200	\$93,240	\$25,851	\$1,954	\$0.42	\$2.10	18.03	
<i>Phase #2</i>									
50'	174	\$312,500	\$62,500	\$15,532	\$1,248	\$0.40	\$2.00	20.12	
60'	-	-	-	-	-	-	-	-	-
70'	-	-	-	-	-	-	-	-	-
<i>Phase #3</i>									
50'	-	-	-	-	-	-	-	-	-
60'	58	\$432,000	\$72,000	\$22,986	\$2,022	\$0.47	\$2.81	18.79	
70'	2	\$448,500	\$78,000	\$23,864	\$2,100	\$0.47	\$2.69	18.79	
<i>Phase #4</i>									
50'	121	\$327,500	\$63,750	\$17,187	\$1,445	\$0.44	\$2.27	19.06	
60'	16	\$390,000	\$75,000	\$20,467	\$1,721	\$0.44	\$2.29	19.06	
70'	15	\$440,000	\$81,000	\$23,091	\$1,941	\$0.44	\$2.40	19.06	
<i>Phase #5A</i>									
50'	62	\$340,000	\$65,000	\$284,888	\$396	\$0.12	\$0.61	1.19	
60'	48	\$432,000	\$78,000	\$280,239	\$503	\$0.12	\$0.64	1.54	
70'	-	-	-	-	-	-	-	-	-
<i>Phase #5B</i>									
Commercial	61,855	\$115	\$29	\$96,134.21	\$0.13	\$0.12	\$0.46	0.00	
Commercial	90,605	\$115	\$29	\$140,816.30	\$0.13	\$0.12	\$0.46	0.00	
Multi-Family	305	\$115,000	\$28,750	\$474,025.35	\$133.88	\$0.12	\$0.47	0.24	

APPENDIX H
PID MAP

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)

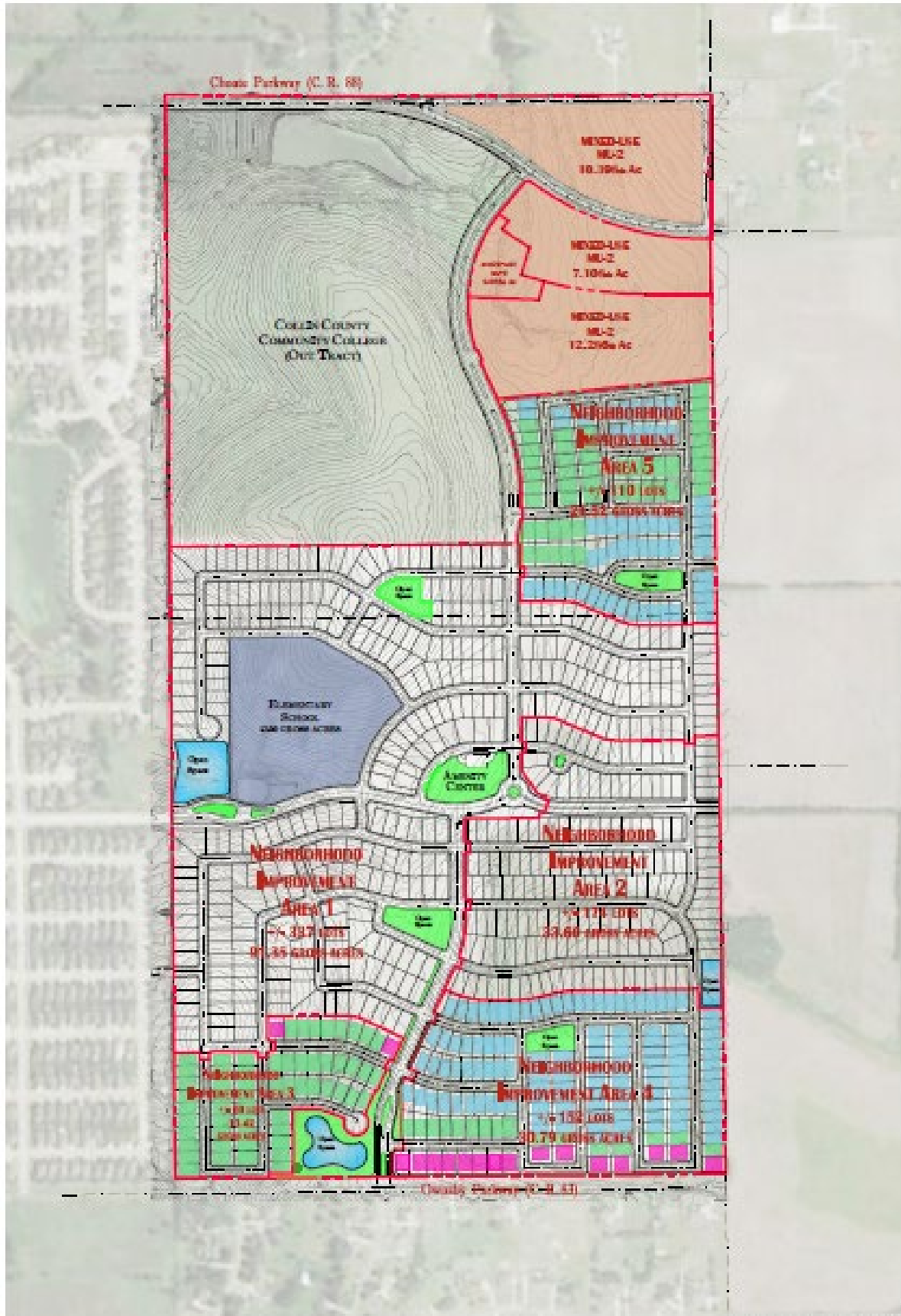


EXHIBIT B
CITY OF CELINA, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Celina, Texas on October 13, 2020 at or after 5:00 p.m. at the Celina City Council Chambers, 112 N. Colorado Street, Celina, Texas 75009. In the event that the City Council will be unable to meet at the City Council Chambers on October 13, 2020, 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 Neighborhood Improvement Area #4 of the Wells North Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended.

The proposed Authorized Improvements to be undertaken at this time (the "Neighborhood Improvement Area #4 Improvements") include storm drainage improvements, wastewater improvements, water improvements, roadway improvements and costs related to the establishment, administration and operation of the District.

The total costs of the Neighborhood Improvement Area #4 Improvements, including administrative costs and the costs of issuing bonds, is \$2,779,954.

The boundaries of the District include approximately 244.136 acres of land generally located in the area encompassed directly south of CR 88 and CR 1224, directly north of CR 83, to the west of CR 86, and to the east of Preston Road, as more particularly described by a metes and bounds description available at Celina City Hall located at 142 N. Ohio Street, Celina, Texas 75009 and available for public inspection.

All written or oral objections on the proposed assessment within Neighborhood Improvement Area #4 of the District will be considered at the public hearing.

A copy of the proposed Neighborhood Improvement Area #4 Assessment Roll, which includes the assessments proposed to be levied against each parcel of land within Neighborhood Improvement Area #4 of the District that benefits from the Neighborhood Improvement Area #4 Improvements, is available for public inspection at the office of the City Secretary, 142 N. Ohio Street, Celina, Texas 75009.

Attachment: Resolution (Wells North NIA #4 PID - Pre-SAP)



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Raha Pouladi, Senior Planner
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Sutton Fields NIA 5A- PID - Miscellaneous Agreements

Action Requested:

Consider and act to authorize the Mayor Pro-Tem to execute a Landowner Agreement, a NIA#5A Reimbursement Agreement, and a NIA#5A Construction, Funding, and Acquisition Agreement by and between the City of Celina and CADG Sutton Fields, LLC. (Sutton Fields NIA 5A- PID - Miscellaneous Agreements) (Pouladi)

Background Information:

All three agreements are attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Landowner Agreement - CADG Sutton Fields, LLC
- Reimbursement Agreement
- Construction, Funding, and Acquisition Agreement

Staff Recommendation:

Staff recommends approval.

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of September 8, 2020, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and CADG Sutton Fields, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is located within the Sutton Fields II Public Improvement District (the “District”) in the City; and

WHEREAS, the City Council has adopted an assessment ordinance for the Neighborhood Improvement Area #5A Improvements (including all exhibits and attachments thereto, the “Neighborhood Improvement Area #5A Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Neighborhood Improvement Area #5A Assessment Ordinance (the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each Assessed Parcel in Neighborhood Improvement Area #5A of the District (as identified in the Service and Assessment Plan) that will be used to reimburse the Landowner for the costs of constructing the Neighborhood Improvement Area #5A Improvements or pledged as the security for the payment of bonds or other obligations (the “Bonds”) to be issued for the purpose of paying the costs of constructing the Neighborhood Improvement Area #5A Improvements that will benefit the Neighborhood Improvement Area #5A Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I. AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are within the District, all as shown on **Exhibit I**, and the location and development of the Neighborhood Improvement Area #5A Improvements on the Landowner Parcel and on the property within Neighborhood Improvement Area #5A of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Neighborhood Improvement Area #5A Assessment Ordinance; and

(iii) the Neighborhood Improvement Area #5A Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the City on the Landowner's Parcel within Neighborhood Improvement Area #5A of the District, as shown on the assessment roll attached as Appendix I to the Service and Assessment Plan (the "Neighborhood Improvement Area #5A Assessment Roll");

(ii) the Neighborhood Improvement Area #5A Improvements specially benefit Neighborhood Improvement Area #5A of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Neighborhood Improvement Area #5A of the District, as such Assessment is shown on the Neighborhood Improvement Area #5A Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner's Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Landowner's Parcel owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Neighborhood Improvement Area #5A Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Landowner's Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner's Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner's Parcel is a lien and covenant that runs with the land and is effective from the date of the Neighborhood Improvement Area #5A Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Neighborhood Improvement Area #5A Assessment Roll) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the annual installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under State law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated or upon sale of property in the PID to a party not subject to Assessments.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Neighborhood Improvement Area #5A Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Denton County, as a lien and encumbrance against such Landowner's Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner's Parcel owned by Landowner;

(ii) reference to the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of Denton County, Texas;

(iii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such

Landowner's Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iv) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Landowner's Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "Builder") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner's request and the City's consent, in the City's sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

II. OWNERSHIP AND CONSTRUCTION OF NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENTS

A. Ownership and Transfer of Neighborhood Improvement Area #5A Improvements.
Landowner acknowledges that all of the Neighborhood Improvement Area #5A Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City and/or Mustang Special Utility District, as applicable, once accepted by and conveyed to the City and/or Mustang Special Utility District, as applicable, following construction and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of Neighborhood Improvement Area #5A Improvements.

(i) Any subsequent owner of the Landowner's Parcel shall, upon the request of the City or Developer, grant and convey to the City or Developer and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Neighborhood Improvement Area #5A Improvements on the property within Neighborhood Improvement Area #5A of the District, to stage on the property within Neighborhood Improvement Area #5A of the District construction trailers, building materials and equipment to be used in connection with such construction of the Neighborhood Improvement Area #5A Improvements and for passage and use over and across parts of the property within Neighborhood Improvement Area #5A of the District

as shall be reasonably necessary during the construction of the Neighborhood Improvement Area #5A Improvements. Any subsequent owner of the Landowner's Parcel may require that each contractor constructing the Neighborhood Improvement Area #5A Improvements cause such owner of the Landowner's Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner's Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Neighborhood Improvement Area #5A Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Denton County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

III. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.

Landowner represents and warrants to the City as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Denton County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments and the priority of the lien related to the assessments as described in this Agreement, or (iii) the construction of the Neighborhood Improvement Area #5A Improvements on those portions of the property within Neighborhood Improvement Area #5A of the District which are to be owned by the City, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Neighborhood Improvement Area #5A Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Neighborhood Improvement Area #5A Improvements.

C. Notices.

Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City:	Attn: City Manager City of Celina, Texas 142 N. Ohio Street Celina, Texas 75009
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Landowner:	Attn: Mehrdad Moayed CADG Sutton Fields, LLC 1800 Valley View Lane Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: J. Prabha Cinclair Miklos Cinclair, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of bonds issued by the City to finance the costs of the Neighborhood Improvement Area #5A Improvements and which are secured by a pledge of the Assessments or any part thereof, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Denton County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Denton County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 business days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's Parcel.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to the Landowner's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

I. The Landowner hereby verifies that the Landowner and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or 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. The Landowner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Landowner and exists to make a profit.

J. The Landowner hereby represents that neither the Landowner nor any of its parent companies, 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Landowner 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. The Landowner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Landowner and exists to make a profit.

[Signature pages to follow]

EXECUTED by the City and Landowner on the respective dates stated below.

Date: _____

CITY OF CELINA, TEXAS

By: _____
Chad Anderson, Mayor Pro-Tem

STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

This instrument was acknowledged before me on the __ day of _____, 2020 by Chad Anderson, the Mayor Pro-Tem of the City of Celina, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

[Signature Page Landowner Agreement]

Attachment: Landowner Agreement _ CADG Sutton Fields, LLC (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

LANDOWNER

CADG Sutton Fields, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2020 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Sutton Fields, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

Attachment: Landowner Agreement _ CADG Sutton Fields, LLC (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

Development Phase 3A (10.064 acres):

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract Number 1411, in Denton County, Texas, and being part of that certain tract of land described in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-30572, of the Real Property Records of Denton County, Texas (RPRDCT), and part of Tract 1 and Tract 4 in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-15963, RPRDCT, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found at the northwest corner of Lot 4, Block A, of Sutton Fields Phase 1A, an addition to the City of Celina, Texas, according to Final Plat recorded in Document Number 2017-395, of the Plat Records of Denton County, Texas (PRDCT);

THENCE North 00°18'36" West, with the east line of Lot 1X, Block A, according to said Final Plat, a distance of 342.70 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the northeast corner of said Lot 1X, and being located on the south right-of-way line of Crutchfield Road (called 90-foot wide right-of-way), south 45-foot of said right-of-way according to Final Plat of Rights-of-Way for Sutton Fields Phase 1, an addition to the City of Celina, recorded in Document Number 2017-398, PRDCT;

THENCE with the south right-of-way line of Crutchfield Road, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 89°43'38" East, a distance of 1124.72 feet;

South 85°04'43" East, a distance of 110.46 feet;

And North 89°43'38" East, a distance of 125.00 feet, said iron rod being located at the north end of a corner clip of said south right-of-way line, and the west right-of-way line of Boleyn Avenue (called 80-foot wide right-of-way), according to the Final Plat of said Rights-of-Way of Sutton Fields Phase 1;

THENCE South 45°17'29" East, with said corner clip, a distance of 35.37 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the south end of said corner clip;

THENCE South 00°18'36" East, with the west right-of-way line of said Boleyn Avenue, a distance of 305.80 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the northeast corner of Lot 2X, Block D, according to said Final Plat of Sutton Fields Phase 1A;

THENCE with a northerly line of said Sutton Fields Phase 1A, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner, the following courses:

South 89°41'24" West, a distance of 129.80 feet;

North 00°18'36" West, a distance of 28.00 feet;

South 89°41'24" West, a distance of 1139.92 feet;

South 00°18'36" East, a distance of 29.00 feet;

And South 89°41'24" West, a distance of 115.01 feet, to the POINT OF BEGINNING of and containing an area of 10.064 acres of land.

Development Phase 3B (21.126 acres):

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract Number 1411, in Denton County, Texas, and being part of that certain tract of land described as Tract 1 in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-15963, of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found at the northwest corner of Lot 5X, Block E, of Sutton Fields Phase 1A, an addition to the City of Celina, Texas, according to Final Plat recorded in Document Number 2017-395, of the Plat Records of Denton County, Texas (PRDCT);

THENCE with the easterly right-of-way line of Boleyn Avenue (called 80-foot wide right-of-way), of Rights-of-Way for Sutton Fields Phase 1, an addition to the City of Celina, according to Final Plat recorded in Document Number 2017-398, PRDCT, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 00°18'36" West, a distance of 92.47 feet;

North 44°41'24" East, a distance of 35.36 feet;

North 00°18'36" West, a distance of 50.00 feet;

North 45°18'36" West, a distance of 35.36 feet;

And North 00°18'36" West, a distance of 267.75 feet, said iron rod located at the south end of a corner clip of said east right-of-way line, and south right-of-way line of Crutchfield Road (called 90-foot wide right-of-way), south 45-foot of said right-of-way according to Final Plat of Rights-of-Way for Sutton Fields Phase 1;

THENCE North 44°42'31" East, with said corner clip, a distance of 35.34 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the north end of said corner clip;

THENCE continuing with said south right-of-way line, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 89°43'38" East, a distance of 545.17 feet, said iron rod located at the beginning of a tangent curve to the right;

Easterly with said curve which has a central angle of 04°06'33", a radius of 1,355.00 feet, a chord which bears South 88°13'06" East, a distance of 97.16 feet, and an arc length of 97.18 feet, to the end of said curve;

South 86°09'50" East, a distance of 101.44 feet, said iron rod located at the beginning of a tangent curve to the left;

Easterly with said curve which has a central angle of 03°58'51", a radius of 1,445.00 feet, a chord which bears South 88°09'15" East, a distance of 100.38 feet, and an arc length of 100.40 feet, to the end of said curve;

And North 89°51'19" East, a distance of 652.97 feet, said iron rod located at the north end of a corner clip of said south right-of-way line, and the west right-of-way line of Bothwell Boulevard (called 90-foot wide right-of-way), according to said Final Plat;

THENCE continuing with said west right-of-way line, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

South 45°08'41" East, a distance of 35.36 feet;

South 00°08'41" East, a distance of 222.59 feet;

South 44°51'19" West, a distance of 35.36 feet;

South 00°08'41" East, a distance of 50.00 feet;

South 45°08'41" East, a distance of 35.36 feet;

South 00°08'41" East, a distance of 315.48 feet, said iron rod located at the beginning of a tangent curve to the right:

And Southerly with said curve which has a central angle of 02°44'47", a radius of 1,895.00 feet, a chord which bears South 01°13'43" West, a distance of 90.83 feet, and an arc length of 90.84 feet, to the end of said curve, said iron rod being located at the north east corner of Lot 8X, Block E of said Sutton Fields Phase 1A;

THENCE with the north line of Block E of said Sutton Fields Phase 1A, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 83°00'05" West, a distance of 253.99 feet;
North 82°56'19" West, a distance of 55.00 feet;
North 81°08'40" West, a distance of 50.08 feet;
North 75°38'05" West, a distance of 50.17 feet;
North 71°09'40" West, a distance of 50.07 feet;
North 69°02'36" West, a distance of 50.00 feet;
North 69°30'53" West, a distance of 50.91 feet;
North 70°13'27" West, a distance of 51.48 feet;
North 71°19'16" West, a distance of 52.45 feet;
North 72°13'09" West, a distance of 52.58 feet;
North 73°33'41" West, a distance of 52.39 feet;
North 74°30'07" West, a distance of 52.51 feet;
North 76°01'58" West, a distance of 51.81 feet;
North 76°36'04" West, a distance of 50.78 feet;
North 77°54'04" West, a distance of 54.04 feet;
North 79°30'19" West, a distance of 52.38 feet;
North 80°09'14" West, a distance of 52.01 feet;
North 81°16'00" West, a distance of 51.64 feet;
North 82°36'46" West, a distance of 53.09 feet;
North 83°46'24" West, a distance of 51.94 feet;
North 84°41'22" West, a distance of 52.33 feet;
North 85°37'03" West, a distance of 52.58 feet;

North 86°46'41" West, a distance of 53.14 feet;

North 88°47'56" West, a distance of 52.10 feet;

North 88°19'36" West, a distance of 53.07 feet;

And South 89°41'24" West, a distance of 75.00 feet to the POINT OF BEGINNING and containing an area of 21.126 acres of land.

Development Phase 3C (12.482 acres):

BEING that certain tract of land situated in the Thomas B. Cox Survey, Abstract Number 1411, in Denton County, Texas, and being part of that certain tract of land described as Tract 4 in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-15963, of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found at the northwest corner of Lot 1X, Block UUU, of Sutton Fields Phase 1B, an addition to the City of Celina, Texas, according to Final Plat recorded in Document Number 2017-478, of the Plat Records of Denton County, Texas (PRDCT) said iron rod located on the east right-of-way line of Bothwell Boulevard (called 90-foot wide right-of-way) of Rights-of-Way for Sutton Fields Phase 1, an addition to the City of Celina, Texas, according to Final Plat recorded in Document Number 2017-398, PRDCT;

THENCE with said east right-of-way line, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 02°22'42" East, a distance of 50.00 feet;

North 43°09'46" West, a distance of 35.69 feet;

North 00°07'11" West, a distance of 675.48 feet;

And North 44°55'13" East, a distance of 35.40 feet;

THENCE North 00°08'41" West, continuing with said east right-of-way, a distance of 45.00 feet to a 5/8-inch iron rod with camp stamped "BCG 10194538" set for corner on said east right-of-way line;

THENCE over and across said Tract 4, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" set for corner:

North 89°51'19" East, a distance of 250.19 feet, said iron rod being located at the beginning of a tangent curve to the right;

Southeasterly with said curve which has a central angle of 51°00'28", a radius of 608.00 feet, a chord that bears South 64°38'27" East, a distance of 523.58 feet, and an arc length of 541.27 feet to the end of said curve;

South 39°08'13" East, a distance of 78.89 feet;

South 50°51'47" West, a distance of 175.00 feet;

South 39°08'13" East, a distance of 30.00 feet;

South 50°51'47" West, a distance of 50.00 feet;

North 39°08'13" West, a distance of 30.00 feet;

South 17°53'15" West, a distance of 153.49 feet

South 00°08'41" East, a distance of 133.79 feet;

South 00°02'43" West, a distance of 16.97 feet;

South 00°49'15" West, a distance of 52.35 feet;

South 01°59'33" West, a distance of 52.35 feet;

South 03°09'52" West, a distance of 52.35 feet;

And South 04°20'10" West, a distance of 52.35 feet;

THENCE South 05°41'18" West, continuing over and across said Tract 4, a distance of 68.47 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the northeast corner of Ferrers Drive (called 50-foot wide right-of-way) according to said Sutton Fields Phase 1B Final Plat;

THENCE North 82°58'56" West, with the north right-of-way line of said Ferrers Drive, a distance of 115.01 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE North 83°34'19" West, continuing with said north right-of-way line, a distance of 50.00 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner, said iron rod being located on the east line of said Lot 1X, Block UUU and at the beginning of a non-tangent curve to the left;

THENCE Northerly with said east line of Lot 1X, Block UUU, and with said curve which has a central angle of 03°12'44", a radius of 2395.00 feet, a chord which bears North 04°49'19" East, a distance of 134.26 feet, and an arc length of 134.27 feet, to the end of said curve, a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE North 42°15'46" West, with the northeasterly line of said Lot 1X, Block UUU, a distance of 14.05 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE North 87°37'18" West, with the north line of said Lot 1X, Block UUU, a distance of 375.03 feet to the POINT OF BEGINNING and containing an area of 12.482 acres of land.

Development Phase 3D (29.898 acres):

BEING that certain tract of land situated in the Thomas B. Cox Survey, Abstract Number 1411, in Denton County, Texas, and being part of that certain tract of land described as Tract 4 in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-15963, of the Real Property Records of Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-30387, RPRDCT, and being more particularly described as follows:

Beginning at a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at the southwest corner of Lot 31X, Block AAA, of Sutton Fields Phase 2B, an addition to the City of Celina, Texas, recorded in Document Number 2019-402, of the Plat Records of Denton County, Texas (PRDCT), and being located on the east right-of-way line of Bothwell Boulevard (called 90-foot wide right-of-way), according to said Final Plat;

THENCE with the southerly line of said Sutton Fields Phase 2B, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

South 76°42'01" East, a distance of 83.14 feet;

South 80°36'44" East, a distance of 61.02 feet;
South 86°04'38" East, a distance of 61.02 feet;
South 89°45'11" East, a distance of 21.08 feet;
North 89°18'13" East, a distance of 32.73 feet;
North 00°41'47" West, a distance of 115.00 feet;
North 89°18'13" East, a distance of 53.99 feet;
North 00°41'47" West, a distance of 50.00 feet;
South 89°18'13" West, a distance of 20.50 feet;
North 00°41'47" West, a distance of 115.00 feet;
North 89°18'13" East, a distance of 570.00 feet;
South 00°41'47" East, a distance of 20.00 feet;
North 89°18'13" East, a distance of 50.00 feet;
North 00°41'47" West, a distance of 20.00 feet;
North 89°18'13" East, a distance of 710.00 feet;
South 00°41'47" East, a distance of 280.00 feet;
North 89°18'13" East, a distance of 410.00 feet;
South 00°41'47" East, a distance of 20.00 feet;
North 89°18'13" East, a distance of 50.00 feet;
North 00°41'47" West, a distance of 25.00 feet;

And North 89°18'13" East, a distance of 128.64 feet, said iron rod located at the southeast corner of Lot 76. Block AAA, according to said Sutton Fields Phase 2B Final Plat;

THENCE South 00°41'45" West, with the east line of said CADG tract as described in Boundary Line Agreement, recorded in Instrument Number 2005-122140, PRPRDCT, a distance of 656.85 feet to a 60D Nail found for corner in the approximate center of Parvin Road (undedicated public road), and being located at the southeast corner of said CADG tract;

THENCE North 89°11'44" West, with the approximate center of said Parvin Road, and with a south line of said CADG tract as described in Boundary Line Agreement, recorded in Instrument Number 2005-122140, PRPRDCT distance of 1163.46 feet to a 3/8-inch iron rod found for corner;

THENCE North 00°42'55" West, with the common east line of that certain tract of land described in deed to Donald Kenny Estep & Sonja Kay Estep, recorded in Document Number 2001-99806, RPRDCT, a distance of 280.30 feet to a 5/8-inch iron rod found for corner at the northeast corner of said Estep tract;

THENCE South 89°32'42" West, with the north line of said Estep tract, a distance of 239.66 feet to a 5/8-inch iron rod with cap found for corner at the northwest corner of said Estep tract;

THENCE over and across said CADG tract, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" for corner:

North 06°55'13" West, a distance of 89.29 feet;

North 43°42'34" West, a distance of 116.69 feet;

North 82°46'08" West, a distance of 113.69 feet;

South 73°58'48" West, a distance of 57.59 feet;

South 89°27'37" West, a distance of 88.80 feet, said iron rod being located at the beginning of a tangent curve to the right;

Northwesterly with said curve which has a central angle of 03°08'29", a radius of 1745.00 feet, a chord which bears North 78°44'13" West, a distance of 45.00 feet, and an arc length of 95.67 feet, to the end of said curve,

North 66°56'02" West, a distance of 170.74 feet;

North 59°14'17" West, a distance of 93.71 feet;

North 79°12'15" West, a distance of 83.80 feet;

South 68°52'47" West, a distance of 107.31 feet;

North 68°48'05" West, a distance of 13.82 feet, said iron rod being located at the beginning of a non-tangent curve to the left;

And Northerly with said curve which has a central angle of 03°08'29", a radius of 1745.00 feet, a chord which bears North 19°37'40" East, a distance of 95.66 feet, and an arc length of 95.67 feet, to the end of said curve, the POINT OF BEGINNING and containing an area of 29.898 Acres of land.

Development Phase 3E (21.756 acres):

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract Number 1411, in Denton County, Texas, and being part of those certain tracts of land described as Tract 1, Tract 2 and Tract 3 in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-15963, of the Real Property Records of Denton County, Texas (RPRDCT), and being part of that certain tract of land described in deed to CADG Sutton Fields, LLC, recorded in Document Number 2015-30572, RPRDCT, and being more particularly described as follows:

Beginning at a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found at the southeast corner of Lot 3X, Block VVV, of Sutton Fields Phase 1A, an addition to the City of Celina, Texas, according to the Final Plat recorded in Document Number 2017-395, of the Plat Records of Denton County, Texas (PRDCT);

THENCE North 00°18'36" West, with the east line of said Lot 3X, a distance of 648.96 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE North 89°41'24" East, with a southerly line of said Lot 3X, a distance of 115.02 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE North 00°18'36" West, with the east line of said Lot 3X, Block VVV, a distance of 29.57 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner on the south right-of-way line of Sutton Fields Trail (called 60-foot wide right-of-way), of the Final Plat

of Rights-of-Way for Sutton Fields Phase 1, an addition to the City of Celina, Texas, according to the Final Plat recorded in Document Number 2017-398, PRDCT;

THENCE with the south line of said right-of-way line of Sutton Fields Trail, the following courses to 5/8-inch iron rods with cap stamped "PETITT RPLS 4087" found for corner:

North 89°41'24" East, a distance of 50.00 feet;

North 44°41'24" East, a distance of 35.36 feet;

North 89°41'24" East, a distance of 989.91 feet;

South 45°18'36" East, a distance of 35.36 feet;

North 89°41'24" East, a distance of 50.00 feet;

North 44°41'24" East, a distance of 35.36 feet;

And North 89°41'24" East, a distance of 89.99 feet, said iron rod being located at the northwest corner of Lot 6X, Block F, of said Sutton Fields Phase 1A;

THENCE South 00°18'36" East, with the west line of said Block F, a distance of 694.32 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner at an interior "ell" corner of Lot 33, Block F of said Sutton Fields Phase 1A;

THENCE South 89°39'05" West, with a north line of said Lot 33, a distance of 9.96 feet to a point in Tree for corner located at the northeast corner of Lot 11 of Countryview Addition, an addition to Denton County, Texas, according the Final Plat recorded in Cabinet F, Page 267, PRDCT, from which a 1/2" iron rod found bears South 89°26'31" West, a distance of 1.51 feet;

THENCE South 89°18'14" West, with the north line of said Countryview Addition, a distance of 1301.63 feet to a 1/2-inch iron rod found for corner;

THENCE South 89°15'45" West, continuing with said north line, a distance of 58.36 feet to the POINT OF BEGINNING and containing an area of 21.756 acres of land.

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this “Declaration”) is made as of September 8, 2020 by CADG Sutton Fields, LLC a Texas limited liability company (the “Landowner”).

RECITALS:

- A. The Landowner holds record title to that portion of the real property located in Denton County, Texas, which is described in the attached Exhibit I (the “Landowner’s Parcel”).
- B. The City Council of the City of Celina (the “City Council”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Sutton Fields II Public Improvement District (the “District”) by the then owners of more than 50% of the appraised value of the taxable real property and owners of more than 50% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”).
- C. The City Council has adopted an Neighborhood Improvement Area #5A Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Neighborhood Improvement Area #5A Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Neighborhood Improvement Area #5A Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”), and has levied the assessments (as amended from time to time, the “Assessments”) on property in Neighborhood Improvement Area #5A of the District.
- D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

- (a) Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.

- (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (a) a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Neighborhood Improvement Area #5A Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within Neighborhood Improvement Area #5A of the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner's Parcel waives:

- (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
- (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;
- (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Neighborhood Improvement Area #5A Assessment Ordinance by the City Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.
3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of Denton County, Texas.
 4. **Third Party Beneficiary:** The City is a third party beneficiary to this Declaration and may enforce the terms hereof.
 5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF CELINA, COLLIN COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Celina, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Celina, 142 N. Ohio, Celina, Texas 75009.

Your failure to pay the assessment or the annual installments could result in a lien on and the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

CADG Sutton Fields, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 2020 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Sutton Fields, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

Attachment: Landowner Agreement _ CADG Sutton Fields, LLC (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

LANDOWNER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Neighborhood Improvement Area #5A Assessment Ordinance and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the “Recorded Notices.”

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Neighborhood Improvement Area #5A Assessment Roll for such Assessed Parcel (or if the Neighborhood Improvement Area #5A Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30 year payment for such Assessed Parcel) as an addendum to any residential homebuyer’s contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

**SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #5A REIMBURSEMENT AGREEMENT**

This Sutton Fields II Public Improvement District Neighborhood Improvement Area #5A Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and between the **City of Celina, Texas** (the “City”) and **CADG Sutton Fields, LLC**, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective September 8, 2020 (the “Effective Date”).

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan*, dated September 8, 2020, as the same may be further amended, supplemented, and updated from time to time (the “SAP”) approved by Ordinance No. _____ passed and approved by the City Council on September 8, 2020; and

WHEREAS, on October 13, 2015 the City Council passed and approved Resolution No. 2015-51R authorizing the creation of the Sutton Fields II Public Improvement District (the “District”) covering approximately 622 acres of land described by metes and bounds in said Resolution (the “District Property”); and

WHEREAS, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, the District Property is being developed in accordance with that certain Amended and Restated Sutton Fields Facilities and Development Agreement dated June 13, 2017 between CADG Sutton Fields, LLC, a Texas limited liability company (“CADG”) and the City (the “Development Agreement”), as amended; and

WHEREAS, the District Property is being developed in phases, and special assessments for each phase have been or will be levied against the Assessed Property within such phase to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such phase; and

WHEREAS, Neighborhood Improvement Area #5A Improvements (as defined in the SAP) are to be constructed within Neighborhood Improvement Area #5A of the District Property, as described and depicted in the SAP; and

WHEREAS, on August 11, 2020, the City Council passed and approved Resolution No. 2020-48R determining, among other things, the estimated costs of the Neighborhood Improvement Area #5A Improvements; and

WHEREAS, on September 8, 2020, the City Council passed and approved Ordinance No. _____ (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Neighborhood Improvement Area #5A Assessment Roll), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

WHEREAS, in addition to approving the SAP, the Assessment Ordinance levied assessments against property within Neighborhood Improvement Area #5A (the “Neighborhood Improvement Area #5A Assessed Property”) for the Neighborhood Improvement Area #5A Improvements in accordance with the Neighborhood Improvement Area #5A Assessment Roll attached as Appendix I to the SAP; and

WHEREAS, the Parties have entered into that certain “Sutton Fields II Public Improvement District Neighborhood Improvement Area #5A Construction, Funding, and Acquisition Agreement” dated as of September 8, 2020 (the “Construction Funding Agreement”) for the construction of the Neighborhood Improvement Area #5A Improvements; and

WHEREAS, the SAP established \$4,417,000.00 as the cost of the Neighborhood Improvement Area #5A Improvements to be assessed against Neighborhood Improvement Area #5A of the District Property (the “Neighborhood Improvement Area #5A Improvements Costs”); and

WHEREAS, the SAP allocated the Neighborhood Improvement Area #5A Improvements Costs to Neighborhood Improvement Area #5A of the District Property, and the SAP contemplated the allocation of the Neighborhood Improvement Area #5A Improvements Costs among the single family residential lots to be created from the subdivision of the District Property; and

WHEREAS, assessments against lots within Neighborhood Improvement Area #5A of the District (“Neighborhood Improvement Area #5A Assessments”) are reflected on the Neighborhood Improvement Area #5A Assessment Roll as approved by the City Council; and

WHEREAS, the SAP and the Assessment Ordinance provide, in part, that an assessment or assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the assessment is paid in full; and

WHEREAS, all revenue received and collected by the City from the collection of the Neighborhood Improvement Area #5A Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the “Neighborhood Improvement Area #5A Assessment Revenue”) shall be deposited as required by the PID Act or as otherwise provided in an indenture authorizing the issuance of Future Neighborhood Improvement Area #5A Bonds (as defined below) into an assessment fund that is segregated from all other funds of the City (the “Neighborhood Improvement Area #5A Assessment Fund”); and

WHEREAS, the Neighborhood Improvement Area #5A Assessment Revenue deposited into the Neighborhood Improvement Area #5A Assessment Fund shall be used to reimburse Developer and its assigns for the Neighborhood Improvement Area #5A Improvements Costs advanced by the Developer in an amount not to exceed \$4,417,000.00, plus interest; and

WHEREAS, the Parties agree that this Reimbursement Agreement supersedes and replaces any prior agreements (whether written or oral) including any amendments to those prior agreements between the Parties regarding the subject matter hereof; and

WHEREAS, the obligations of the City to use the Neighborhood Improvement Area #5A Assessments hereunder is authorized by the PID Act;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The recitals in the “WHEREAS” clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from the Neighborhood Improvement Area #5A Assessment Revenues as herein provided, the City agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the City, the amount equal to the actual costs of the Neighborhood Improvement Area #5A Improvements paid by the Developer for the Neighborhood Improvement Area #5A Improvements Costs that were within budgeted costs, or authorized overrun costs, that were paid by the Developer plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 1, 2050 (the “Maturity Date”), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed \$4,417,000.00 (the “Reimbursement Amount”), plus interest accrued, as hereinafter provided. The City hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the “Neighborhood Improvement Area #5A Assessment Fund.” The Reimbursement Amount is payable from monies to be deposited in the Neighborhood Improvement Area #5A Assessment Fund, or from the net proceeds of Future Neighborhood Improvement Area #5A Bonds, as described below:
 - a. The Reimbursement Amount is payable solely from: (i) the Neighborhood Improvement Area #5A Assessment Revenue received and collected by the City and deposited into the Neighborhood Improvement Area #5A Assessment Fund; (ii) the net proceeds (after payment of costs of issuance, including the costs paid or

incurred by the City) of one or more series of bonds (the “Future Neighborhood Improvement Area #5A Bonds”) issued by the City and secured by the Neighborhood Improvement Area #5A Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Neighborhood Improvement Area #5A Assessment Revenue shall be received, collected and deposited into the Neighborhood Improvement Area #5A Assessment Fund subject to the following limitations:

- i. Calculation of the Neighborhood Improvement Area #5A Assessments and the first Annual Installment for a Lot or Parcel shall begin as provided for in the SAP and the Assessment Ordinance.
 - ii. Until such time as Future Neighborhood Improvement Area #5A Bonds are issued, the Neighborhood Improvement Area #5A Assessments shall accrue interest at the rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Neighborhood Improvement Area #5A Assessments for a Lot for the earlier of 30 years or until the Neighborhood Improvement Area #5A Assessments for such Lot are paid in full.
 - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed \$4,417,000.00 plus interest from the Neighborhood Improvement Area #5A Assessment Fund and as allowed under Section 2(a) above.
 - iv. The unpaid Reimbursement Amount shall bear simple interest per annum at the rate of (x) 4.57% for years one through five, and (y) 4.57% for years six through 31. The interest rate has been approved by the City Council and is authorized by the PID Act and was determined based upon *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was 2.57%. The interest rate of 4.57% and 4.57% contained herein comply with Subsections 372.023(e)(1) and (e)(2) of the PID Act.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is secured by and payable solely from the Neighborhood Improvement Area #5A Assessment Revenue received and collected by the City and deposited into the Neighborhood Improvement Area #5A Assessment Fund or from the net proceeds of the Future Neighborhood Improvement Area #5A Bonds. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than

Neighborhood Improvement Area #5A Assessment Revenue received, collected and deposited into the Neighborhood Improvement Area #5A Assessment Fund or from the net proceeds of the Future Neighborhood Improvement Area #5A Bonds. The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Construction Funding Agreement, the Development Agreement, and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Neighborhood Improvement Area #5A Assessment Revenue and, as a result, is unable to make transfers from the Neighborhood Improvement Area #5A Assessment Revenue Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

4. If Future Neighborhood Improvement Area #5A Bonds are issued, the net proceeds of such Future Neighborhood Improvement Area #5A Bonds shall be used, from time to time, first to pay the Unpaid Balance due to the Developer under this Reimbursement Agreement for the costs of Neighborhood Improvement Area #5A Improvements that have already been paid and then to pay all or any portion of any Neighborhood Improvement Area #5A Improvements Cost. If, after application of the net proceeds of such Future Neighborhood Improvement Area #5A Bonds, any Neighborhood Improvement Area #5A Improvements Cost remains unpaid, then the Developer shall pay or caused to be paid such cost. If, after application of the net proceeds of any Future Neighborhood Improvement Area #5A Bonds, the Unpaid Balance due the Developer remains unpaid, all payments toward the Unpaid Balance due the Developer shall be paid from amounts deposited into any funds created for such purpose under any indenture relating to any Future Neighborhood Improvement Area #5A Bonds. Once the principal amount of all Future Neighborhood Improvement Area #5A Bonds plus all payments paid to the Developer under this Reimbursement Agreement equal the Unpaid Balance, this Reimbursement Agreement shall terminate.
5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five days after notice of the Transfer is received by the City, including for each Transferee the information required by Section 9 below. The City may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor

or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice.

6. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Neighborhood Improvement Area #5A Assessment Fund or the net proceeds of the Future Neighborhood Improvement Area #5A Bonds and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Neighborhood Improvement Area #5A Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City’s or Developer’s rights and duties to perform their respective obligations under other agreements, regulations and ordinances.
8. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Denton County, Texas.
9. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

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

With a copy to: Attn: Julie Fort
 Messer, Fort & McDonald
 6371 Preston Road, Suite 200
 Frisco, Texas 75034

And to: Attn: Robert Dransfield
 Norton Rose Fulbright US LLP
 2200 Ross Avenue, Suite 3600
 Dallas, Texas 75201

To the Developer: Attn: Mehrdad Moayed
 CADG Sutton Fields, LLC
 1800 Valley View Lane, Suite 300
 Farmers Branch, Texas 75234

With a copy to: Attn: J. Prabha Cinclair
 Miklos Cinclair, PLLC
 1800 Valley View Lane, Suite 360
 Farmers Branch, Texas 75234

10. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Neighborhood Improvement Area #5A Assessments contrary to the provisions of the PID Act.
11. Remedies:
 - a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a “Failure”) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30 day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same

rights as the Developer to enforce the obligations of the City under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound.

- b. If the Developer is in Default, the City shall have available all remedies at law or in equity, provided that no Default by the Developer shall: (1) affect the obligations of the City to use the amounts transferred to the Neighborhood Improvement Area #5A Assessment Fund as provided in Sections 2 and 3 of this Reimbursement Agreement; or (2) entitle the City to terminate this Reimbursement Agreement.
 - c. If the City is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.
- 12. To the extent there is a conflict between this Reimbursement Agreement and an indenture securing the Future Neighborhood Improvement Area #5A Bonds, the indenture securing the Future Neighborhood Improvement Area #5A Bonds shall control as the provisions relate to the Neighborhood Improvement Area #5A Assessments. To the extent there is a conflict between this Reimbursement Agreement and the Construction Funding Agreement, the Construction Funding Agreement shall control. To the extent there is a conflict between this Reimbursement Agreement and the Development Agreement, this Reimbursement Agreement shall control.
- 13. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.
- 14. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
- 15. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in

this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.

16. The Parties acknowledge that each has been actively involved in negotiating this Reimbursement Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Reimbursement Agreement. In the event of any dispute over the meaning or application of any provision of this Reimbursement 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.
17. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
18. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement 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.
19. This Reimbursement Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Reimbursement Agreement. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement 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 Reimbursement 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 Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.
20. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
21. The Parties agree that at any time after execution of this Reimbursement Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate

the terms of this Reimbursement Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Reimbursement Agreement is executed or any future City Council.

22. The term of this Reimbursement Agreement is thirty (30) years, or until the Unpaid Balance is paid in full, whichever occurs first. If the Developer defaults under this Reimbursement Agreement, the Development Agreement or the Construction Funding Agreement, this Reimbursement Agreement, the Development Agreement and Construction Funding Agreement shall not terminate with respect to the costs of the Neighborhood Improvement Area #5A Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of default.
23. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.
24. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, 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. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.
25. The Developer hereby 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer 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. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[SIGNATURE PAGES TO FOLLOW]

Attachment: Reimbursement Agreement (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

Executed by Developer and City to be effective on the Effective Date.

ATTEST:

CITY OF CELINA

Vicki Tarrant, City Secretary

Chad Anderson, Mayor Pro-Tem

APPROVED AS TO FORM

_____, Attorney for the City

[Signature Page for Sutton Fields II PID NIA #5A Reimbursement Agreement]

Attachment: Reimbursement Agreement (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

DEVELOPER:

CADG Sutton Fields, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

[Signature Page for Sutton Fields II PID NIA #5A Reimbursement Agreement]

**SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #5A CONSTRUCTION, FUNDING, AND ACQUISITION
AGREEMENT**

THIS SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT AREA #5A CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of September 8, 2020, is by and between the **CITY OF CELINA, TEXAS**, *a home rule municipality of the State of Texas* (the “City”), and **CADG SUTTON FIELDS, LLC**, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Service and Assessment Plan (as hereinafter defined).

“**Actual Cost(s)**” means the costs of the Neighborhood Improvement Area #5A Improvements actually paid or incurred for the design, construction and installation of the Neighborhood Improvement Area #5A Improvements.

“**Administrator**” means, initially, Municap, Inc., or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to Section VI of the Service and Assessment Plan.

“**Budgeted Cost(s)**” means the costs shown on **Exhibit A** attached hereto.

“**Certification for Payment**” means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, provided to the City Representative and the Administrator, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Administrator to request payment for Neighborhood Improvement Area #5A Improvements Cost(s).

“**City Manager**” means the City Manager of the City, or its designee.

“**City Inspector**” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Representative” means City Manager of the City, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

“Construction Contracts” means the contracts for the construction of the Neighborhood Improvement Area #5A Improvements. “Construction Contract” means any one of the Construction Contracts.

“Cost(s)” means the Budgeted Cost(s) or the Actual Cost(s) of a Neighborhood Improvement Area #5A Improvement as reflected in a construction contract, if greater than the Budgeted Cost(s).

“Cost Overrun” means, with respect to each Neighborhood Improvement Area #5A Improvement, the Cost(s) or Actual Cost(s) as appropriate of such Neighborhood Improvement Area #5A Improvement in excess the Budgeted Cost(s).

“Cost Underrun” means, with respect to each Neighborhood Improvement Area #5A Improvement, the amount by which the Budgeted Cost(s) exceeds the Actual Cost(s), as appropriate, of such Neighborhood Improvement Area #5A Improvement.

“Development Agreement” means that certain Amended and Restated Sutton Fields Facilities and Development Agreement executed by and between Developer and the City effective June 13, 2017 as recorded on December 5, 2017 as document 2017148786 in the deed records of Denton County, Texas, as amended.

“District” means the Sutton Fields II Public Improvement District created by the City on October 13, 2015.

“Final Completion” means completion of a Neighborhood Improvement Area #5A Improvement (including a section or segment of a Neighborhood Improvement Area #5A Improvement) in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Mustang SUD” means Mustang Special Utility District.

“Mustang SUD Inspector” means an individual employed by or an agent of Mustang SUD whose job is, in part or in whole, to inspect infrastructure to be owned by Mustang SUD for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“Neighborhood Improvement Area #5A Assessed Property” means any property that benefits from the Neighborhood Improvement Area #5A Improvements within the District on which Assessments have been imposed as shown in the Neighborhood Improvement Area #5A Assessment Roll, as the Neighborhood Improvement Area #5A Assessment Roll is updated each year by the Annual Service Plan Update. Neighborhood Improvement Area #5A Assessed

Property includes Parcels within the District other than Non-Benefited Property.

“Neighborhood Improvement Area #5A Assessment Fund” means an interest-bearing fund by such name created under the Neighborhood Improvement Area #5A Reimbursement Agreement where monies from the collection of Assessments shall be deposited and a portion of which shall be used to finance the Neighborhood Improvement Area #5A Improvements.

“Neighborhood Improvement Area #5A Improvements” mean, collectively, the Neighborhood Improvement Area #5A Improvements listed in **Exhibit A** to be constructed in compliance with City ordinances and Mustang SUD regulations when applicable. An individual Neighborhood Improvement Area #5A Improvement, including a completed segment or part, shall be referred to as a **Neighborhood Improvement Area #5A Improvement**.

“Neighborhood Improvement Area #5A Reimbursement Agreement” means the Sutton Fields II Public Improvement District Neighborhood Improvement Area #5A Reimbursement Agreement dated as of September 8, 2020, by and between the City and the Developer providing for the construction and financing of certain Neighborhood Improvement Area #5A Improvements by the Developer for which the Developer will be reimbursed by the City pursuant to the PID Act.

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

“Plans” means the plans, specifications, schedules and related construction contracts for the Neighborhood Improvement Area #5A Improvements, respectively, approved pursuant to the applicable standards and ordinances of the City or Mustang SUD, as applicable, the Development Agreement, and any other applicable governmental entities.

“Service and Assessment Plan” means the Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan, adopted by the City Council on September 8, 2020, as the same may be updated, amended, or supplemented, for the purpose of assessing allocated cost(s) against the property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Developer and the City, as required by this Agreement and in accordance with the PID Act.

“Substantial Completion” means the time at which the construction of a Neighborhood Improvement Area #5A Improvement (or specified part thereof) has progressed to the point where such Neighborhood Improvement Area #5A Improvement (or a specified part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Neighborhood Improvement Area #5A Improvement (or a specified part thereof) can be utilized for the purposes for which it is intended.

“Supplement” means a written document agreed upon by the Parties to this Agreement amending, supplementing or otherwise modifying this Agreement and any exhibit hereto, including any amendments to the list of Neighborhood Improvement Area #5A Improvements in **Exhibit A** in a manner consistent with the Service and Assessment Plan, the PID Act and this Agreement.

ARTICLE II RECITALS

Section 2.01. The District and the Neighborhood Improvement Area #5A Improvements.

- (a) The City has created the District under the PID Act for the financing of, among other things, the acquisition, construction and installation of the Neighborhood Improvement Area #5A Improvements.
- (b) The Neighborhood Improvement Area #5A Improvements are eligible to be financed with the collection of Assessments from property within the District to the extent specified in the Service and Assessment Plan and subject to the provisions of the Development Agreement.
- (c) The Developer will undertake the construction and installation of the Neighborhood Improvement Area #5A Improvements for dedication to and acceptance by the City or Mustang SUD, in accordance with the terms and conditions contained in the Development Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Reimbursements.

- (a) The City’s obligation with respect to the payment of the Neighborhood Improvement Area #5A Improvements shall be limited to the Budgeted Cost(s), and shall be payable solely from amounts on deposit within the Neighborhood Improvement Area #5A Assessment Fund for the payment of such cost(s) as provided herein and in the Service and Assessment Plan. The Developer agrees and acknowledges that it is responsible for all Actual Costs, Cost Overruns, except to the extent as provided for in Section 4.04 below, and all expenses related to the Neighborhood Improvement Area #5A Improvements.
- (b) The obligation of owners of Neighborhood Improvement Area #5A Assessed Property

within the District, including the Developer to the extent it owns any Neighborhood Improvement Area #5A Assessed Property in the District, to pay Assessments is not in any way dependent on the availability of amounts in the Neighborhood Improvement Area #5A Assessment Fund, or otherwise available from other sources, including bonds issued by the City, that are secured or that are to be paid, in whole or in part, by the funds on deposit in the Neighborhood Improvement Area #5A Assessment Fund, to pay for all or any portion of the Neighborhood Improvement Area #5A Improvement Cost(s) hereunder.

- (c) The Developer acknowledges that any lack of availability of amounts in the Neighborhood Improvement Area #5A Assessment Fund or otherwise available from other sources, including bonds issued by the City, that are secured or that are to be paid, in whole or in part, by the funds on deposit in the Neighborhood Improvement Area #5A Assessment Fund, to pay the costs of the Neighborhood Improvement Area #5A Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Neighborhood Improvement Area #5A Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.
- (d) The City shall have no responsibility whatsoever to the Developer with respect to the investments of any monies held by a trustee under an indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

Section 3.02. Disbursements.

The City and the Developer agree that monies deposited into the Neighborhood Improvement Area #5A Assessment Fund and upon the presentation of evidence satisfactory to the City Representative, the City will, on a monthly basis if a Certification for Payment is approved by the City, cause the payment for cost(s) incurred in the administration, and operation of the District and cost(s) of Neighborhood Improvement Area #5A Improvements up to \$4,417,000.00 plus interest accrued pursuant to the Neighborhood Improvement Area #5A Reimbursement Agreement from the Neighborhood Improvement Area #5A Assessment Fund, subject to the availability of funds in the Neighborhood Improvement Area #5A Assessment Fund, to the Developer or its assignees. These payments will be delivered to the Developer or its assignees pursuant to the submission of a Certification for Payment, in accordance with the Development Agreement, this Agreement, and the Neighborhood Improvement Area #5A Reimbursement Agreement, substantially in the form of **Exhibit B** attached hereto.

Section 3.03. Accounts. All disbursements from the Neighborhood Improvement Area #5A Assessment Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, and in all respects, the Neighborhood Improvement Area #5A Reimbursement Agreement.

ARTICLE IV CONSTRUCTION OF NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

- (a) All Neighborhood Improvement Area #5A Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform or caused to be performed all of its obligations and shall conduct all operations with respect to the construction of Neighborhood Improvement Area #5A Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of the Neighborhood Improvement Area #5A Improvements to be acquired and accepted by the City or Mustang SUD, from the Developer as provided in this Agreement.
- (b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Neighborhood Improvement Area #5A Improvement and, upon completion, inspection, and acceptance, convey each Neighborhood Improvement Area #5A Improvement to the City or Mustang SUD, where applicable, in accordance with the terms hereof, even if there are insufficient funds in the Neighborhood Improvement Area #5A Assessment Fund to pay the Actual Cost(s) thereof.

Section 4.02. No Competitive Bidding. The Neighborhood Improvement Area #5A Improvements shall not require competitive bidding pursuant to and Section 252.022(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City or Mustang SUD with respect to the Neighborhood Improvement Area #5A Improvements.

Section 4.04. Remaining Funds after Completion of a Neighborhood Improvement Area #5A Improvement. Upon the Final Completion of a Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof) and payment of all outstanding invoices for such Neighborhood Improvement Area #5A Improvement, if the Actual Cost(s) of such Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof) is less than the Budgeted Cost(s) (a “Cost Underrun”), any remaining Budgeted Cost(s) will be available to pay Cost Overruns on any other Neighborhood Improvement Area #5A Improvement

(or its completed segment or phase thereof). The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Neighborhood Improvement Area #5A Improvements. Any Cost Underrun for any Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof) is available to pay Cost Overruns on any other Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof), and may be added to the amount approved for payment in any Certification for Payment, as agreed to by the Developer, the Administrator, and the City Representative. Upon the completion of the Neighborhood Improvement Area #5A Improvements (or its completed segment or phase thereof) and the payment thereof pursuant to the terms of the Neighborhood Improvement Area #5A Reimbursement Agreement, if there are funds remaining in the Neighborhood Improvement Area #5A Assessment Fund, such funds will be distributed to the City's general fund and, with respect to such funds, there shall be no remaining obligation to make payment of such funds to the Developer. If bonds are issued by the City that are secured by or that are to be paid, in whole or in part, by funds deposited or to be deposited in the Neighborhood Improvement Area #5A Assessment Fund for the payment of the Neighborhood Improvement Area #5A Improvements, any net balance remaining in the Neighborhood Improvement Area #5A Assessment Fund after a reconciliation of Cost Overruns and Cost Underruns related to Neighborhood Improvement Area #5A Improvements (or its completed segment or phase thereof) will be distributed first to the bond trustee, to the extent prepayment is allowed without penalty under the indenture, for the payment of such bonds, second to the City's general fund, and in no case to the Developer, and the City agrees that upon such issuance of bonds, funds deposited to the Neighborhood Improvement Area #5A Assessment Fund for the payment of Neighborhood Improvement Area #5A Improvements will be dispersed only as described in the bond indenture.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Neighborhood Improvement Area #5A Improvements. The Developer may approve and implement any change orders, even if such change order would increase the Cost of a Neighborhood Improvement Area #5A Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders, except for amounts available and approved pursuant to Section 4.04.

ARTICLE V ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for the Neighborhood Improvement Area #5A Improvements.

- (a) No payment hereunder shall be made from the Neighborhood Improvement Area #5A Assessment Fund or pursuant to any bond indenture for bonds issued by the City for a

Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof), until a Certification for Payment is received from the Developer for work with respect to a Neighborhood Improvement Area #5A Improvement (or its completed segment or phase thereof) and approved for payment by the City. Upon receipt of a Certification for Payment, substantially in the form of **Exhibit B** hereto (along with all accompanying documentation required by the City) from the Developer, the City Inspector (for a City owned Neighborhood Improvement Area #5A Improvement) shall conduct a review in order to confirm that such request is complete, to confirm that the work with respect to such Neighborhood Improvement Area #5A Improvement identified therein for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement and the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the “Developer Compliance Requirements”), and shall, upon the conclusion of the review, forward the request to the City Representative. The City Inspector and/or City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

- (b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for payment (from those funds available in the Neighborhood Improvement Area #5A Assessment Fund or, if bonds have been issued by the City, forward the Certification for Payment to the bond trustee, or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative’s disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.02 hereof or to the bond trustee in accordance with payment provisions applicable to the bonds and delivery to the Developer in accordance with Section 5.01(d) hereof, and any such partial work shall be processed for payment under Section 5.02, notwithstanding such partial denial.

- (d) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within 30 days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Administrator or the bond trustee, as applicable, for payment until the dispute is resolved by the City and the Developer.
- (e) The Developer shall deliver the approved or partially approved Certification for Payment by the City Representative as provided in Section 5.01(c), or approved by the City Council, to the Administrator for payment and the Administrator shall make such payment from the Neighborhood Improvement Area #5A Assessment Fund in accordance with Section 5.02 below; provided, however, if bonds have been issued, the Developer shall provide the Certification for Payment to the bond trustee.

Section 5.02. Payment for Neighborhood Improvement Area #5A Improvement.

- (a) If no bonds have been issued by the City, upon receipt of a reviewed and approved Certification for Payment, as evidenced by the signature of the City Representative, the Administrator shall make payment from the Neighborhood Improvement Area #5A Assessment Fund from those funds available, for such approved Certification for Payment pursuant to the terms of the Certification for Payment in an amount not to exceed the Budgeted Cost(s), except as provided for in Section 4.04. Any amount remaining to be paid on a monthly basis after funds have been exhausted in the Neighborhood Improvement Area #5A Assessment Fund, shall remain as an amount outstanding to be paid, and shall be paid in the next monthly disbursement of funds from the Neighborhood Improvement Area #5A Assessment Fund, again subject to availability of funds in the Neighborhood Improvement Area #5A Assessment Fund.
- (b) Notwithstanding any other provisions of this Agreement, the Administrator shall make payment directly to the person or entity specified by the Developer in an approved Certification for Payment, including: (1) a general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment; (2) to the Developer or any assignee of the Developer if an unconditional lien release is attached to such Certification for Payment; and, (3) to the Developer, or to the third party contractor directly, at Developer's request as specified in the Certification for Payment, in the event the Developer provides a general contractor's or suppliers of materials unconditional lien release for a portion of the work covered by the Developer or any assignee of the Developer to the extent of such lien release. If the request

for payment results in ninety percent (90%) or more of the Budgeted Costs for such Neighborhood Improvement Area #5A Improvement identified in such request for payment being paid, then the Administrator or the bond trustee, as applicable, shall hold the payment until work with respect to that Neighborhood Improvement Area #5A Improvement has been completed by the Developer and accepted by the City. Neither the Administrator, nor the City, City Council, City Manager, or City Representative shall have any liability for relying on the accuracy of the payee information in any Certification for Payment as presented by the Developer or its assignees.

(c) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of any such remedy, so long as such delay in performance shall not subject the Neighborhood Improvement Area #5A Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Neighborhood Improvement Area #5A Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Neighborhood Improvement Area #5A Improvement until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI OWNERSHIP AND TRANSFER OF NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENT

Section 6.01. Neighborhood Improvement Area #5A Improvement to be Owned by the City or Mustang SUD– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to the Neighborhood Improvement Area #5A Improvements, including any related rights-of-way, easements, and open spaces if any, to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least 30 calendar days prior to the transfer of title of a Neighborhood Improvement Area #5A Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Neighborhood Improvement Area #5A Improvement until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Neighborhood Improvement Area #5A Improvement Constructed on City Land or Developer Land. If the Neighborhood Improvement Area #5A Improvement is on land

owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Neighborhood Improvement Area #5A Improvement. If the Neighborhood Improvement Area #5A Improvement is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Neighborhood Improvement Area #5A Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City or Mustang SUD title to property and/or easements related to the Neighborhood Improvement Area #5A Improvement as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Neighborhood Improvement Area #5A Improvement. The provisions for inspection and acceptance of such Neighborhood Improvement Area #5A Improvement otherwise provided herein shall apply.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

- (a) Organization. The Developer is a Texas limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business in the State of Texas as now being conducted as hereby contemplated.
- (b) Authority. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.
- (c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.
- (d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Neighborhood Improvement Area #5A Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Neighborhood Improvement Area #5A Improvements.
- (e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Neighborhood Improvement Area #5A Assessment Fund for the acquisition or construction of any improvement that are not part of the Neighborhood

Improvement Area #5A Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

- (f) Financial Records. For a period of two years after completion of the Neighborhood Improvement Area #5A Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Neighborhood Improvement Area #5A Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.
- (g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Neighborhood Improvement Area #5A Improvements will be constructed in full compliance with such Plans and any change orders thereto consistent with the PID Act and the Development Agreement.
- (h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the City Manager or the City Representative related to the status of construction of the Neighborhood Improvement Area #5A Improvements within the District and the anticipated completion dates for future Neighborhood Improvement Area #5A Improvements.
- (i) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND TIS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS; (IV)

ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE NEIGHBORHOOD IMPROVEMENT AREA#5A IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE NEIGHBORHOOD IMPROVEMENT AREA #5A IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City. The City agrees not to take any action or direct the Administrator to take any action to expend, disburse or encumber the monies held in the Neighborhood Improvement Area #5A Assessment Fund, and any monies to be transferred thereto for any purpose other than the purposes permitted by the Service and Assessment Plan, including amendments and annual updates, or the Neighborhood Improvement Area #5A Reimbursement Agreement. The City agrees not to modify or supplement the Service and Assessment Plan without the approval of the Developer or its assigns if as a result or as a consequence of such modification or supplement (a) the amount of monies that would otherwise have been (i) available under the Neighborhood Improvement Area #5A Assessment Fund for the Costs of the Neighborhood Improvement Area #5A Improvements is reduced, delayed or deferred, or (ii) available in the Neighborhood Improvement Area #5A Assessment Fund upon the issuance of bonds as described herein, is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer or its assigns are or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer or its assigns are or may be modified, limited, restricted or otherwise adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Neighborhood Improvement Area #5A Improvements not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Neighborhood Improvement Area #5A Assessment Fund to pay for same, and the Developer shall have no claim or right to any further payments for the Cost(s) of a Neighborhood Improvement Area #5A Improvement hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Neighborhood Improvement Area #5A Improvements. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to a Neighborhood Improvement Area #5A Improvement only as provided for under the terms of an indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the trustee to cease making payments for the Actual Costs of Neighborhood Improvement Area #5A Improvements, provided that the Developer shall receive payment of the Actual Costs of any Neighborhood Improvement Area #5A Improvements that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Neighborhood Improvement Area #5A Improvements not accepted by the City and use all or any portion of the funds on deposit in the Neighborhood Improvement Area #5A Assessment Fund and the Developer shall have no claim or right to any further payments for the Neighborhood Improvement Area #5A Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer or as provided for in the Neighborhood Improvement Area #5A Reimbursement Agreement. The City shall have no obligation to perform any work related to a Neighborhood Improvement Area #5A Improvement or to incur any expense or cost in excess of the remaining balance of the Neighborhood Improvement Area #5A Assessment Fund.

Section 8.03. Construction of the Neighborhood Improvement Area #5A Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform

its obligations with respect to the Neighborhood Improvement Area #5A Improvements in accordance with this Agreement and the Development Agreement.

Section 8.04. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, epidemics and pandemics, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.04 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the monies, if any, in the Neighborhood Improvement Area #5A Assessment Fund and, subject in all respects to Article III hereof, from no other source. Neither the City, the City Inspector, the City Representative, nor any other City employee, officer, official, or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days’ prior written notice to a Developer, to review all books and records of the Developer pertaining to Costs and expenses incurred by the Developer only with respect to any of the Neighborhood Improvement Area #5A Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within twenty-four (24) hours after such transmission) or seventy-two (72) hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

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

With a copy to: Attn: Julie Fort
 Messer, Fort & McDonald
 6371 Preston Road, Suite 200
 Frisco, Texas 75034

And to: Attn: Robert Dransfield
 Norton Rose Fulbright US LLP
 2200 Ross Avenue, Suite 3600
 Dallas, Texas 75201

To the Developer: Attn: Mehrdad Moayed
 CADG Sutton Fields, LLC
 1800 Valley View Lane, Suite 300
 Farmers Branch, Texas 75234

With a copy to: Attn: J. Prabha Cinclair
 Miklos Cinclair, PLLC
 1800 Valley View Lane, Suite 360
 Farmers Branch, Texas 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.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for a Neighborhood Improvement Area #5A Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer

hereunder if there is a default under such financing and such Person elects to complete the Neighborhood Improvement Area #5A Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a Party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Neighborhood Improvement Area #5A Reimbursement Agreement with respect to any receivables due under this Agreement, the Neighborhood Improvement Area #5A Reimbursement Agreement shall control. If the City issues bonds to finance the Neighborhood Improvement Area #5A Improvements under the terms of a bond indenture and there is a conflict between this Agreement, the Development Agreement, the Neighborhood Improvement Area #5A Reimbursement Agreement, and the bond indenture, the bond indenture shall control.

Section 9.07. Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by any other Party, or the failure by a Party to exercise its rights upon the default of any other Party, shall not constitute a waiver of such Party’s right to insist and demand strict compliance by such other Party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the Parties hereto any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the Parties shall be for the sole and exclusive benefit of the Parties.

Section 9.10. Amendment. This Agreement may be amended upon Agreement of the Parties, from time to time in a manner consistent with the PID Act, in writing hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of

which shall be deemed an original.

Section 9.12. Effective Date. This Agreement shall become effective upon its execution and delivery, by the Parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Effective Date.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or until all amounts under the Neighborhood Improvement Area #5A Reimbursement Agreement have been paid. If bonds are issued by the City to finance the Neighborhood Improvement Area #5A Improvements, this Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding bonds issued under the bond indenture. If the Developer defaults under this Agreement, the Development Agreement or the Neighborhood Improvement Area #5A Reimbursement Agreement, this Agreement, the Development Agreement and the Neighborhood Improvement Area #5A Reimbursement Agreement shall not terminate with respect to the costs of the Neighborhood Improvement Area #5A Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14. No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. No Boycott Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, 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. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 9.16. Not a Listed Company. The Developer hereby 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer 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. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[Execution pages follow]

Attachment: CFA v2 (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

IN WITNESS WHEREOF, the parties have executed this Agreement as of this the _____ day of _____, 2020.

CITY OF CELINA

By: _____
Name: Chad Anderson, Mayor Pro-Tem

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM

Julie Fort, Attorney for the City

[Signature Page for Neighborhood Improvement Area #5A CFA]

Attachment: CFA v2 (Sutton Fields NIA 5A- PID - Miscellaneous Agreements)

DEVELOPER:

CADG Sutton Fields, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

[Signature Page for Neighborhood Improvement Area #5A CFA]

Exhibit A**List of Neighborhood Improvement Area #5A Improvements and Budgeted Costs**

Neighborhood Improvement Area #5A Improvements	Estimated Costs
Roadway improvements	\$3,325,589
Water distribution improvements	\$970,144
Sewer collection improvements	\$959,493
Storm sewer collection improvements	\$1,107,463
Other soft and miscellaneous improvements	\$4,072,657
Total	\$10,435,347

Exhibit B**FORM OF CERTIFICATION FOR PAYMENT**

The undersigned is an agent for CADG Sutton Fields, LLC, a Texas limited liability company (the “Developer”) and requests payment from the Neighborhood Improvement Area #5A Assessment Fund (as defined in the Neighborhood Improvement Area #5A CFA Agreement) from the City of Celina, Texas (the “City”) in the amount of \$_____ for labor, materials, fees, and/or other general costs related to the construction of certain Neighborhood Improvement Area #5A Improvements related to the Sutton Fields II Public Improvement District (the “Neighborhood Improvement Area #5A Improvements”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Sutton Fields II Public Improvement District Neighborhood Improvement Area #5A Construction, Funding, and Acquisition Agreement (the “Neighborhood Improvement Area #5A CFA Agreement”).

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Neighborhood Improvement Area #5A Improvements have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Neighborhood Improvement Area #5A Improvements below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Neighborhood Improvement Area #5A Improvement, and such costs are in compliance with the Neighborhood Improvement Area #5A CFA Agreement and the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Neighborhood Improvement Area #5A CFA Agreement, the Development Agreement and the Service and Assessment Plan.
5. All conditions set forth in the Neighborhood Improvement Area #5A CFA Agreement, and the Development Agreement for the payment hereby requested have been satisfied.
6. The work with respect to the Neighborhood Improvement Area #5A Improvement referenced below (or its completed segment) has been completed and the City may begin inspection of the Neighborhood Improvement Area #5A Improvement.
7. The Developer agrees to cooperate with the City in conducting its review of the requested

payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

8. As required by Texas Local Government Code, Section 252.051, as amended, the Developer has provided the City with an independent appraisal of any Neighborhood Improvement Area #5A Improvement consisting of any real property, or any interest in real property including easements and rights-of-way and open space if any, to be acquired by the City including specifically monies on deposit in the Neighborhood Improvement Area #5A Assessment Fund.

Payments requested should include the following:

Payee / Description of Neighborhood Improvement Area #5A Improvement	Total Cost of Neighborhood Improvement Area #5A Improvement	Budgeted Cost of Neighborhood Improvement Area #5A Improvement	Amount to be paid from the Neighborhood Improvement Area #5A Assessment Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Neighborhood Improvement Area #5A CFA Agreement, after receiving this Certification for Payment, the City is authorized to inspect the Neighborhood Improvement Area #5A Improvement (or completed segment or phase) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans. Afterwards, the City must then accept or deny this Certification for Payment.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

I hereby declare that the above representations and warranties are true and correct.

CADG SUTTON FIELDS, LLC

By: _____
 Name: _____
 Title: _____
 Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment, acknowledges the Certification for Payment, and finds the Certification for Payment to be in order. After reviewing the Certification for Payment, the City approves the Certification for Payment.

CITY OF CELINA, TEXAS

By: _____

Name: _____

Title: _____

Date: _____



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City Secretary
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Tarrant, City Secretary
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: FY2020-21 EDC Budget Approval

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas ratifying and approving the Fiscal Year 2020-2021 budget for the Celina Economic Development Corporation. (Jackson)

Background Information:

This resolution is a part of the annual budget approval process for the Celina Economic Development Corporation.

Board Review/Citizen Input:

The Celina Economic Development Corporation approved this budget at a meeting held on August 5, 2020.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Proposed resolution
- FY2020-21 EDC Budget

Staff Recommendation:

Staff recommends approval.



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Robin Bromiley, Director of Finance
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Celina Community Development Corporation Budget Approval

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas, ratifying and approving the Fiscal Year 2020-2021 budget for the Celina Community Development Corporation. (Bromiley)

Background Information:

This resolution is a part of the annual budget approval for the Celina Community Development Corporation.

Board Review/Citizen Input:

This budget was approved by the Celina Community Development Corporation at a meeting held on September 2, 2020.

Alternatives:

N/A

Financial Considerations:

Legal Review:

N/A

Supporting Documents:

Resolution, budget document

Staff Recommendation:

Approval

2020 - 2021 Community Development Corporation Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 402

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 1,030,937	\$ 1,482,494	\$ 1,482,494	\$ 1,482,494	\$ 1,186,954
REVENUES					
Taxes	\$ 625,454	\$ 684,750	\$ 684,750	\$ 750,000	\$ 772,500
Interest Income	26,103	10,000	10,000	20,000	15,000
TOTAL REVENUES	\$ 651,557	\$ 694,750	\$ 694,750	\$ 770,000	\$ 787,500
TOTAL FUNDS AVAILABLE	\$ 1,682,494	\$ 2,177,244	\$ 2,177,244	\$ 2,252,494	\$ 1,974,454
EXPENDITURES					
TIRZ Agreements	\$ -	\$ -	\$ -	\$ 45,938	\$ 25,000
	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 45,938	\$ 25,000
Transfers Out	200,000	1,097,537	1,097,537	1,019,602	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 200,000	\$ 1,097,537	\$ 1,097,537	\$ 1,065,540	\$ 25,000
Excess (deficiency) of revenues over (under) expenditures	\$ 451,557	\$ (402,787)	\$ (402,787)	\$ (295,540)	\$ 762,500
ENDING FUND BALANCE	\$ 1,482,494	\$ 1,079,707	\$ 1,079,707	\$ 1,186,954	\$ 1,949,454

Attachment: CDC FY 2021 Proposed Budget (FY2020-21 CDC Budget)



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**CITY OF CELINA, TEXAS
RESOLUTION NO. 2020 - ##**

**A RESOLUTION OF THE CITY OF CELINA, TEXAS RATIFYING AND
APPROVING THE FISCAL YEAR 2020-2021 BUDGET FOR THE
CELINA COMMUNITY DEVELOPMENT CORPORATION; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas is a home-rule municipality located in Denton and Collin Counties, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to enabling legislation of the State of Texas; and

WHEREAS, the Celina Community Development Corporation, hereinafter the "CCDC" is a 4B development corporation operating pursuant to the Development Corporation Act of 1979 now codified as Chapter 504 of the Texas Local Government Code;

WHEREAS, the CCDC Board of Directors has approved a Fiscal 2020-2021 Budget;

WHEREAS, the City of Celina desires to approve and ratify such said CCDC Budget.

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

SECTION 1: The findings and declaration contained in the preamble of this Resolution are incorporated herein as part of this Resolution.

SECTION 2: The City Council hereby ratifies and approves the Fiscal 2020-2021 Budget for the Celina Community Development Corporation.

SECTION 3: This Resolution shall be in full force and effect from and after its date of passage.

AND IT IS SO RESOLVED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas on the 8th day of September 2020.

Sean Terry, Mayor

ATTEST:

Vicki Faulkner, City Secretary

Attachment: CDC FY 2021 BUDGET RESOLUTION (FY2020-21 CDC Budget)



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Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #2 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Two project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER TWO PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on May 20, 2014, pursuant to and as required by the Act, the City has prepared a *Preliminary Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Two, City of Celina, Texas, and Project Plan*, for a tax increment reinvestment zone containing approximately 322 acres of property located within the City; and

WHEREAS, such property is coterminous with the land within Creeks at Legacy Public Improvement District located within the City; and

WHEREAS, on May 22, 2014, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2014-21, providing for the creation of *Tax Increment Reinvestment Zone Number Two, City of Celina, Texas*. Ordinance 2014-21 designated the contiguous geographic area within the City as a reinvestment zone, described the boundaries of the zone, created a board of directors for the zone, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Two, City of Celina, Texas, authorized through the passage of TIRZ # 2 Resolution No. 2020-01 on August 26, 2020, for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019 in the amount not to exceed \$324,221.14 and (2) TIRZ credit payment from collections FY2019-2020 in the amount not to exceed \$464,636.40; and facilitate development and encourage development within the zone; all of which the Board found were authorized expenditures under the Act; and are authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the following expenditures authorized by the Board of Directors of Reinvestment Zone Number Two, City of Celina, Texas: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$324,221.14

and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$464,636.40.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City



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Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #4 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Four project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, in October 2015, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Four, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone containing approximately 129.34 acres of property located within the City; and

WHEREAS, on November 5, 2015, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2015-52, providing for the creation of *Tax Increment Reinvestment Zone Number Four, City of Celina, Sutton Fields*. Ordinance 2015-52 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Four, City of Celina, Texas, authorized the passage of TIRZ #4 Resolution No. 2020-01 on August 26, 2020, for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019 in the amount not to exceed \$22,766.05 and (2) TIRZ credit payment from collections FY2019-2020 in the amount not to exceed \$58,065.08; and facilitate development and encourage development within the zone; and are authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the following expenditures authorized by the Board of Directors of Reinvestment Zone Number Four, City of Celina, Texas; (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$22,766.05 and (2) TIRZ credit payment from collections FY2019-2020 in the amount not to exceed \$58,065.08.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 4 Council Resolution 09082020 FY20 (TIRZ #4 Approval)



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Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #6 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Six project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER SIX PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on June 2, 2016, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Six, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone containing approximately 41.499 acres of property located within the City; and

WHEREAS, on June 14, 2016, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2016-43, providing for the creation of *Tax Increment Reinvestment Zone Number Six, City of Celina, Glen Crossing*. Ordinance 2016-43 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for the date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Six, City of Celina, Texas, authorized through the passage of TIRZ #6 Resolution No. 2020-01 on August 26, 2020, for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$30,767.53 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$83,407.06 facilitate development and encourage development within the zone; authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the following expenditures authorized by the Board of Directors of Reinvestment Zone Number Six, City of Celina, Texas: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$30,767.53 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$83,407.06.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Karla Stovall, Assistant City Manager
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: TIRZ #7 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Seven project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER SEVEN PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on August 31, 2016, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Seven, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone containing approximately 113 acres of property located within the City; and

WHEREAS, on September 13, 2016, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2016-64, providing for the creation of *Tax Increment Reinvestment Zone Number Seven, City of Celina, Ownsby Farms*. Ordinance 2016-64 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Seven, City of Celina, Texas, authorized through the passage of TIRZ #7 Resolution No. 2020-01 on August 26, 2020 for TIRZ # 7, for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019 in the amount not to exceed \$13,017.62 and (2) TIRZ credit payment from collections FY2019-2020 in the amount not to exceed \$37,297.00; and facilitate development and encourage development within the zone; authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the following expenditures authorized by the Board of Directors of Reinvestment Zone Number Seven, City of Celina, Texas: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$13,017.62 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$37,297.00.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 7 Council Resolution 09082020 FY20 (TIRZ #7 Approval)



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #8 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Eight project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER EIGHT PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, ON August 8, 2017, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Eight, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone located within the City; and

WHEREAS, on September 12, 2017, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2017-49, providing for the creation of *Tax Increment Reinvestment Zone Number Eight, City of Celina, Sutton Fields II*. Ordinance 2017-49 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Eight, City of Celina, Texas, authorized through the passage of TIRZ #8 Resolution No. 2020-01 on August 26, 2020 for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019 in the amount not to exceed \$4,443.95 and (2) TIRZ credit payment from collections FY2019-2020 in the amount not to exceed \$9,402.90 directly related to facilitate development and encourage development within the zone; all of which the Board found were authorized expenditures under the Act; and

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the expenditures authorized by the Board of Directors of Reinvestment Zone Number Eight, City of Celina, Texas: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$4,443.95 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$9,402.90.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 8 Council Resolution 09082020 FY20 (TIRZ #8 Approval)



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #9 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Nine project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT ZONE NUMBER NINE, CITY OF CELINA, PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, dated November 2017, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Nine, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone located within the City; and

WHEREAS, on November 14, 2017, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2017-70, providing for the creation of *Tax Increment Reinvestment Zone Number Nine, City of Celina, Texas*. Ordinance 2017-70 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Nine, City of Celina, Texas, authorized through the passage of TIRZ # 9 Resolution No. 2020-01 on August 26, 2020 for certain expenditures as follows: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$1,778.78 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$4,175.85 directly related to facilitate development and encourage development within the zone; authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the following expenditures authorized by the Board of Directors of Reinvestment Zone Number Nine, City of Celina, Texas: (1) TIRZ credit payment from collections FY2018-2019, in the amount not to exceed \$1,778.78 and (2) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$4,175.85.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 9 Council Resolution 09082020 FY20 (TIRZ #9 Approval)



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #10 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Ten project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO. 2020-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER TEN PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, dated November 14, 2017, pursuant to and as required by the Act, the City has prepared a *Reinvestment Zone Number Ten, City of Celina, Preliminary Project and Financing Plan* for a tax increment reinvestment zone located within the City of Celina, Texas; and

WHEREAS, on November 14, 2017, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance 2017-71, providing for the creation of *Tax Increment Reinvestment Zone Number Ten, City of Celina, Texas*. Ordinance 2017-71 designated the contiguous geographic area within the City as a reinvestment zone, created a board of directors for the zone, directed final preparation of a Final Project and Financing Plan, established a tax increment fund for the zone, contained findings related to the creation of the zone, and provided for a date of termination of the zone.

WHEREAS, the Board of Directors of Reinvestment Zone Number Ten, City of Celina, Texas, authorized through the passage of TIRZ #10 Resolution No. 2020-01 on August 26, 2020 for certain expenditures as follows: (1) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$4,026.93 facilitate development and encourage development within the zone; authorized expenditures under the Act.

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the expenditures approved by the Board of Directors of Reinvestment Zone Number Ten, City of Celina, Texas: (1) TIRZ credit payment from collections FY2019-2020, in the amount not to exceed \$4,026.93.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City hereby declares it would have passed such

remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 10 Council Resolution 09082020 FY20 (TIRZ #10 Approval)



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Karla Stovall, Assistant City Manager
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: TIRZ #11 Project Expenditures

Action Requested:

Consider and act on a resolution of the City of Celina, Texas, approving certain Tax Increment Reinvestment Zone Number Eleven project expenditures; providing a severability clause; and providing an effective date. (Stovall)

Background Information:

The Tax Reinvestment Zone Board approved the project expenditures. All project expenditures provided within the Resolution are authorized spending under the Act. This agenda item provides for City Council approval of the TIRZ Board's authorization.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Resolution

Staff Recommendation:

Approval

RESOLUTION NO 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, APPROVING CERTAIN TAX INCREMENT REINVESTMENT ZONE NUMBER ELEVEN PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on December 12, 2017, pursuant to and as required by the Act, the governing body of the City (hereinafter referred to as the “City Council”) approved and adopted by Ordinance No. 2017-136, a *Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Eleven, City of Celina, Texas*, and a *Final Project Plan*, for a tax increment reinvestment zone containing approximately 687 acres of property located within the City of Celina, Texas; and

WHEREAS, the Board of Directors of Reinvestment Zone Number Eleven, City of Celina, Texas, authorized through the passage of TIRZ #11 Resolution No. 3 on August 11, 2020, for certain expenditures for payment of downtown expenses of \$100,000 directly related to facilitate development and encourage development within the zone; all of which the Board found were authorized expenditures under the Act; and

WHEREAS, the Board of Directors of Reinvestment Zone Number Eleven, City of Celina, Texas, authorized through the passage of TIRZ #11 Resolution No. 2 on November 12, 2019, for certain expenditures for payment of professional expenses of \$22,000 directly related to facilitate development and encourage development within the zone; all of which the Board found were authorized expenditures under the Act; and

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

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. That the City Council hereby approves the expenditures approved by the Board of Directors of Reinvestment Zone Number Eleven, City of Celina, Texas, (1) for payment of downtown expenses of \$100,000 (2) for payment of professional expenses of \$22,000 directly related to facilitate development and encourage development within the zone.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the

Attachment: TIRZ 11 Council Resolution 09082020 (TIRZ #11 Approval)

remaining portions of this Resolution; and the City Council hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THIS THE 8th DAY OF SEPTEMBER 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, Attorney for the City

Attachment: TIRZ 11 Council Resolution 09082020 (TIRZ #11 Approval)



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Karla Stovall, Assistant City Manager
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Solid Waste and Recycling Franchise Agreement

Action Requested:

Consider and act upon approval of an agreement with Waste Connections Lone Star, Inc., subject to final approval by the City's land use attorney, for the exclusive right to operate and maintain the services of collection and transportation of residential, commercial, multi-family, and industrial waste and recycling in areas serviced by the City of Celina, Texas. (Stovall)

Background Information:

The City's previous solid waste and recycling franchise agreement was last updated in 2014. Staff set out to update this Agreement to better capture the growth of the City and the services the City provides to its residents and businesses.

This Agreement updates the rates the City and Waste Connections will charge for collection services moving forward, allows Waste Connections to schedule certain pickups electronically through a new smartphone application, and updates routes for collection. The Agreement also allows for the expansion of collection services for city-sponsored events, including the City's Clean Up, Green Up initiative.

Finally, the Agreement allows the City to respond quickly in the event of a storm or disaster, by either hiring Waste Connections under a plan and at a rate and schedule which they will provide prior to the event, or by hiring a separate contractor.

Approval of the Agreement by City Council is subject to final approval by the City's land use attorney.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Completed

Supporting Documents:

Agreement

Staff Recommendation:

MUNICIPAL SOLID WASTE AND RECYCLING CONTRACT

Celina, Texas

This Solid Waste and Recycling contract (this "Agreement") is entered into as of the ____ day of _____, 2020, between City of Celina, Texas ("City"), acting by and through its duly authorized City Manager, and Waste Connections Lone Star, Inc., a Texas corporation ("Contractor"), acting by and through its duly authorized representative.

WHEREAS, City has the exclusive right to manage waste disposal and recycling services within its territory, or grant an exclusive franchise on such rights; and

WHEREAS, City desires to grant to Contractor the exclusive right to operate and maintain the service of collection and transportation of residential, commercial, multi-family, and industrial garbage and trash, and recycling, over, upon, along and across the present and future streets, alleys, bridges and public properties of the City, or any other area serviced by the City, subject to the terms of this Agreement; and

WHEREAS, Contractor desires to operate and maintain the service of collection and transportation of residential, commercial and industrial garbage and trash, and recycling, over, upon, along and across the present and future streets, alleys, bridges and public properties of the City, or any other area serviced by the City, subject to the terms of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS:

1.01. Bag or Bags: Plastic sacks, designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of a single Bag and its contents shall not exceed thirty-five (35) pounds.

1.02. Brush: Any cuttings or trimmings from trees, shrubs, or lawns, and similar materials. The term "Brush" specifically excludes limbs which are greater than four (4) feet in length or twelve (12) inches in diameter, and specifically excludes debris resulting from services of a Commercial Service Provider.

1.03. Bulky Waste: White Goods, furniture, loose brush greater than six (6) feet in length or 200 lbs. in weight, auto parts, and other oversize wastes which are customary to ordinary housekeeping operations of a Residential Unit and whose large size precludes or complicates its handling by normal solid waste collection, processing or disposal methods.

1.04. Bundle or Bundles: Tree, shrub and brush trimmings or unrecycled newspapers and magazines securely tied together forming an easily handled package, not to exceed four (4) feet in length, six (6) inches in diameter, or 50 lbs. in weight. All Brush must be bundled.

1.05. City: The City of Celina, Texas.

1.06. Commercial Unit: All commercial businesses and establishments, including, but not limited to, stores, offices, restaurants, warehouses, multi-family complexes, and other non-manufacturing facilities, premises, locations or entities, public or private, within the corporate limits of the City.

1.07. Commercial Hand Collect Unit: A retail or light commercial type of business, which generates no more than one (1) cubic yard of Solid Waste per week.

1.08. Commercial Waste: All types of Solid Waste generated by commercial businesses, including but not limited to stores, offices, restaurants, warehouses, and other non-manufacturing activities, excluding Residential Waste and Industrial Waste.

1.09. Commercial Service Provider: A commercial business enterprise or commercial service provider.

1.10. Compactor: Any container, regardless of size, which has a compaction mechanism, whether stationary or mobile.

1.11. Construction and Demolition Debris: Waste building materials resulting from construction, remodeling, repair, or demolition operations that are directly or indirectly the by-products of construction work or that result from demolition of buildings or other structures, but specifically excluding inert debris, land-clearing debris, yard debris, or used asphalt, asphalt mixed with dirt, sand, gravel, rock, concrete, or similar materials.

1.12. Consumer Price Index (CPI): The then-current Consumer Price Index rate for all urban consumers (all items included) for the Dallas-Fort Worth metropolitan area not seasonally adjusted, calculated by the United States Department of Labor's Bureau of Labor Statistics, at the time(s) called for in this Agreement.

1.13. Container: A receptacle with at least 18 - 20 gallons but less than 50 gallons, constructed of plastic, metal or fiberglass, having handles of adequate strength for lifting. The mouth of a container shall have a diameter greater than or equal to that of the base.

1.14. Contract Administrator: That person or persons, or designees, designated by the City to administer and monitor the provisions of this Agreement.

1.15. Contractor: Waste Connections of Texas, Incorporated.

1.16. Customer: The owner or tenant of a Residential Unit, Commercial Unit and/or Industrial Unit, as the case may be, located within the City, and identified by the City as being eligible for and in need of the services provided by the Contractor under this Agreement.

1.17. Dead Animals: Animals or portions thereof that have expired from any cause except those slaughtered or killed for human use.

1.18. Disposal Site: A duly permitted sanitary landfill selected by Contractor.

1.19. Dumpster: Metal receptacle designed to be lifted and emptied mechanically for use only at Commercial Units or Industrial Units.

1.20. Garbage: Solid Waste consisting of putrescible or animal and vegetable waste materials resulting from the handling, preparation, cooking, and consumption of food, including waste materials from markets, storage facilities, handling and sale of produce and other food products, and all Dead Animals of less than ten pounds (10 lbs.) in weight, except those slaughtered for human consumption.

1.21. Hazardous Waste: Any Solid Waste identified or listed as a hazardous waste by the administrator of the Environmental Protection Agency under the Federal Solid Waste Disposal Act as amended by RCRA, 42 U.S.C. §001, et. seq., as amended or any state agency pursuant to the Resource Conservation and Recovery Act of 1976, as amended, and including future amendments thereto, and any other applicable federal, state or local laws or regulations.

1.22. Industrial Unit: All industrial businesses and establishments, including manufacturing facilities, premises, locations or entities, public or private, within the corporate limits of the City.

1.23. Industrial Waste: Solid Waste resulting from or incidental to any process of industry or manufacturing, or mining or agricultural operations.

1.24. Medical Waste: Waste generated by health care related facilities and associated with health care activities, not including Garbage or Rubbish generated from offices, kitchens, or other non-health care activities. The term includes Special Waste from health care-related facilities which is comprised of animal waste, bulk blood and blood products, microbiological waste, pathological waste, and sharps as those terms are defined in 25 Texas Administrative Code §1.132 (relating to Definitions). The term does not include medical waste produced on farmland and ranchland as defined in 34 Texas Administrative Code §3.296(f), nor does the term include artificial, nonhuman materials removed from a patient and requested by the patient, including, but not limited to, orthopedic devices and breast implants.

1.25. Polycart: A rubber-wheeled receptacle with a maximum of 90 - 96 gallons constructed of plastic, metal and/or fiberglass, designed for automated or semi-automated solid waste collection systems, and having a tight-fitting lid capable of preventing entrance into the container by small animals. The weight of a polycart and its contents shall not exceed 175 lbs.

1.26. Qualified Disabled or Elderly Person: means a person who, by virtue of age or disability, would suffer a hardship if required to place a polycart at the street for curb-side collections. Applications shall be made to the City on a form prescribed by the City. The City will provide the Contractor with updated lists that identify persons who qualify for front-door collections.

1.27. Recyclable Materials: A material that has been recovered or diverted from the non-hazardous waste stream for purposes of reuse, recycling, or reclamation, a substantial portion of which is consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable Material is not Solid Waste. However, Recyclable Material may become Solid Waste at such time, if any, as it is abandoned or disposed of rather than recycled, whereupon it will be Solid Waste, with respect to the party abandoning or disposing of such material.

1.28. Recycling Container: A new or used plastic receptacle, designed for curbside collection of Recyclable Materials, with a capacity of ninety-five (95) gallons.

1.29. Refuse: Same as Rubbish.

1.30. Residential Unit: A residential dwelling within the service area of the City occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto. A condominium dwelling, whether of single or multi-level construction, consisting of four units, shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall be billed separately as a Residential Unit.

1.31. Residential Waste: All Refuse, Garbage and Rubbish and other Solid Waste generated by a Customer at a Residential Unit.

1.32. Roll-off Bin: Container provided to a Commercial Unit or Industrial Unit by Contractor measuring twenty (20) cubic yards to (40) cubic yards, intended for high-volume refuse generating Commercial Units or Industrial Units, and capable of pickup and transport to a Landfill by loading of container onto rear of transporting vehicle, but excluding a Compactor.

1.33. Rubbish: Non-putrescible Solid Waste (excluding ashes), consisting of both combustible and noncombustible waste materials. Combustible rubbish includes paper, rags, cartons, wood, excelsior, furniture, rubber, plastics, yard trimmings, leaves, or similar materials; noncombustible rubbish includes glass, crockery, tin cans, aluminum cans, metal furniture, and similar materials that will not burn at ordinary incinerator temperatures (1,600 degrees Fahrenheit to 1,800 degrees Fahrenheit).

1.34. Solid Waste: Any nonhazardous solid waste generated at City's locations that is not excluded by the provisions of this Agreement including Garbage, Rubbish, Refuse, and other discarded material, including solid resulting from industrial, municipal, commercial, mining, and agricultural operations and from community and institutional activities. The term does not include:

- a) Solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit issued under Texas Water Code, Chapter 26;
- b) Solid, dirt, rock, sand, and other natural or man-made inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvement;
- c) Waste materials that result from activities associated with the exploration, development, or production of oil or gas or geothermal resources and other substance or material regulated by the Railroad Commission of Texas under the Texas Natural Resources Code, §91.101, unless the waste, substance, or material results from activities associated with gasoline plants, natural gas liquids processing plants, pressure maintenance plants, or depressurizing plants and is hazardous waste as defined by the administrator of the EPA under the federal Solid

Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended (42 USC, §§6901 et seq.), or

d) Unacceptable Waste.

1.35. Special Waste: Waste that requires special handling and management due to the nature of the waste, including, but not limited to, the following: (A) containerized waste (e.g. a drum, barrel, portable tank, box, pail, etc.), (B) waste transported in bulk tanker, (C) liquid waste or gaseous material, (D) sludge waste, (E) waste from an industrial process, (F) waste from a pollution control process, (G) residue and debris from the cleanup of a spill or release of chemical, or (H) any other waste defined by Texas law, rule or regulation as "Special Waste".

1.36. Unacceptable Waste: Any waste, the acceptance and handling of which by Contractor would cause a violation of any permit, condition, legal or regulatory requirement, substantial damage to Contractor's equipment or facilities, or present a danger to the health or safety of the public or Contractor's employees, including, but not limited to, Hazardous Waste, Special Waste (except as otherwise provided herein), Medical Waste, Dead Animals weighing ten pounds (10 lbs.) or greater, solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit, soil, dirt, rock, sand, and other natural or man-made inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvements.

1.37. Unusual Accumulations: For Residential Units, any Waste placed curbside for collection in excess of the volumes or weights permitted by this Agreement or placed outside a Polycart except as permitted by this Agreement. For Commercial or Industrial Units, any Waste located outside the Dumpster, Roll-off Bin or Compactor regularly used for such collection service.

1.38. Waste: All Residential Waste, Commercial Waste, and Industrial Waste to be collected by Contractor pursuant to this Agreement. The term "Waste" specifically excludes Unacceptable Waste.

1.39. White Goods: Any item not measuring in excess of either two (2) cubic yards in size or two hundred (200) pounds in weight, including but not limited to refrigerators which have CFCs removed by a certified technician, stoves and ranges, water heaters, freezers, swing sets, bicycles (without tires), scrap metal, copper, and other similar domestic and commercial large appliances.

2. GRANT OF EXCLUSIVE FRANCHISE:

Contractor is hereby granted the exclusive right and privilege within the corporate limits of the City and any other area served by the City to conduct business for collection and disposal of Waste, and collection of Recyclable Materials, subject to the terms hereof, including any tracts, territories and areas hereafter annexed to or acquired by City. All Residential Unit, Commercial Unit, and Industrial Unit Customers shall utilize Contractor's services pursuant to this Agreement.

3. TERM:

The term of this Agreement shall commence October 1, 2020, ("Commencement Date") and continue to remain in full force and effect for a period of five (5) years. Prior to the end of the term

of this Agreement, parties may agree in writing to one (1) extension of three (3) years. If an extension is agreed to by both parties, Base Rates (hereinafter defined) shall increase or decrease according to an average of the previous twelve (12) months' CPI.

4. RATES:

Beginning December 1, 2020, Contractor is authorized to charge, and shall receive from the City, the rates set forth in Exhibits A and B, both attached hereto and incorporated herein by reference ("Base Rates"). The Base Rates are subject to adjustment as set forth in Section 10 below.

5. CONTRACTOR SERVICES:

5.01. Residential Collection

(a) Residential/Commercial Hand Collect Unit Collection:

i. Contractor shall collect Residential Waste generated at a Residential Unit and placed in that Residential Unit's Polycart once per week during the term of this Agreement. Each Residential Unit shall be entitled to obtain a second Polycart service, at an additional rate. Contractor reserves the right to request a change in residential collection days, based on specific circumstances as may be directed by Contractor to the City. Contractor will notify the City at least ninety (90) days in advance of any change in collection day to enable City to provide notice thereof to its residents.

ii. Contractor shall pick up Residential Waste and Recyclables generated at a Residential Unit occupied by a Qualified Disabled or Elderly person by hand from the front door of the residence, provided that Contractor receives notice from the City or the Qualified Disabled or Elderly person.

iii. Contractor shall collect Commercial Waste placed in a Polycart from a Commercial Hand Collect Unit once per week.

iv. Construction Debris generated at a Residential Unit by a Commercial Service Provider shall be deemed Commercial Waste and shall be collected pursuant to Section 5.02 below. Construction Debris generated at a Residential Unit by the owner or tenant of that Residential Unit, and not utilizing the services of a Commercial Service Provider, shall be subject to the Bulky Waste limitations set forth in this Agreement.

(b) Brush/Bulky Waste Collection: Contractor shall provide a twice per month collection service to Residential Units for collection of Bulky Waste and Bundles upon Customer scheduling with Contractor either electronically or by telephone. Contractor shall also provide one additional collection service to Residential Units for collection of Bulky Waste and Bundles within four (4) days after Christmas, upon Customer scheduling with Contractor either electronically or by telephone. Contractor shall advertise the manner in which Customers are to schedule Bulky Waste and Bundles collection. Contractor shall provide collection of Bulky Waste and Bundles not later than two (2) days following Customer scheduling for service. Contractor agrees to collect up to,

but not to exceed, two (2) cubic yards of Bulky Waste or Bundles per collection from each Residential Unit. Contractor shall have no obligation to collect any Bulky Waste or Brush in excess of the above volumes, or any Construction Debris produced by a Commercial Service Provider hired by a Customer and generated and located at that Residential Unit. All Brush must be cut and tied and placed in a Bundle. Bulky Waste and Brush Bundles shall be placed within three (3) feet of the curb, swale, paved surface of the roadway, closest accessible roadway, or other location agreed to by Contractor and Customer that will provide safe and efficient accessibility to Contractor's collection crew and vehicle.

(c) **Recyclable Collection:** Once a week, Contractor shall provide the collection of Recyclable Materials placed in Recyclable Containers from Residential Units. Contractor shall not be required to collect any Recyclable Materials that are not placed in a Recycling Container. In addition, Contractor shall not be required to collect Recyclable Materials if the Customer does not segregate the Recyclable Materials from the remainder of the Residential Waste.

(d) **Recycling Containers:**

i. Contractor shall deliver a 96-gallon Recycling Container to each Residential Unit or cause Recycling Container to remain at each Residential Unit, after the Agreement is approved by the City.

ii. Polycarts and Recycling Containers (together, the "Carts") shall be placed by the Customer of a Residential Unit in a location that is readily accessible to Contractor and its collection equipment, not to exceed three (3) feet from the curb or edge of the travel portion of the street, road or alley, and not to be located in a manner that will block the driveway or mailbox or otherwise inhibit proper servicing. The City shall aid Contractor in resolving problems of Cart location by the Customer. Customers shall not overload Carts, and the Carts shall be loaded such that the lids shall close securely.

iii. Contractor shall not be required to collect (i) any Residential Waste that is not placed in a Polycart, except as set forth above, (ii) any Residential Waste from a Polycart that is overloaded, or (iii) a Polycart that is not properly placed curbside.

iv. The Carts furnished by the Contractor hereunder shall remain the property of Contractor, and the Customer will have no interest in the Carts. The Carts shall remain at the location of the Residential Unit where delivered by Contractor. The Customer shall be responsible for all loss or damage to the Carts, except for normal wear and tear or for loss or damage resulting from Contractor's handling of the equipment. Any Cart removed from a Residential Unit shall be deemed lost, and Contractor shall be entitled to compensation by the Customer therefor. The Customer shall not overload (by weight or volume) a Polycart and shall use the Polycart only for its proper and intended purpose. Additional Carts are available for residential Customers at an additional charge to be paid by the Customer. In the event a Cart should be lost or damaged, Contractor agrees to replace such lost or damaged Cart with a new Cart, at a cost equal to Contractor's actual cost of such Cart.

5.02. Commercial and Industrial Collection: Contractor shall have the exclusive right to collect and transport Commercial Waste and Industrial Waste from the Commercial Units and Industrial Units, respectively, utilizing Dumpsters, Compactors or Roll Off Bins, at such frequency as shall be reasonably requested by such Commercial Unit Customer or Industrial Unit Customer. The Dumpster, Compactor or Roll Off Bin shall be located on a concrete pad to accommodate equipment and at a location reasonably acceptable to Contractor. Contractor may, at its sole option, require Commercial Customers and Industrial Customers to enter into individual contracts with Contractor, subject to the terms of this Agreement. The foregoing shall include waste generated at temporary construction sites, unless otherwise prohibited by law.

5.03 Municipal Collections: At no cost to the City and at least once per week, Contractor shall provide City waste collection, recycling, and disposal services utilizing right-sized dumpsters/roll offs/carts to all City facilities, including those facilities acquired by the City after the execution of this Agreement. Contractor shall collect dead animals from the City's animal shelter at least once per month. Additionally, Contractor shall provide a minimum of two (2) Roll-Off Bins to City's Public Works Department, which shall be collected at least twice per month.

5.04. Unusual Accumulations Collection: Contractor shall have no obligation to collect Unusual Accumulations outside the scope of this Agreement for Residential Units. Commercial or Industrial Unit Customers with more than one (1) cubic yard of Solid Waste overflow will be documented and Contractor will contact the Commercial or Industrial Unit Customer to adjust their container size or frequency of service given the overflow. If the Customer chooses not to voluntarily adjust their container size or frequency of service and continues to overfill their Containers or Roll-Off Bins, Contractor will have the ability to apply an overflow fee of \$30.00 per cubic yard, which shall be included in the calculation of the City's Franchise Fee. This overflow fee will be subject to adjustment per Section 10 of the Agreement and the City's Franchise Fee.

5.05. Special Waste: Contractor is not required to accept, transport or manage any Special Waste.

5.06. Unacceptable Waste: Contractor shall not be obligated to collect Unacceptable Waste. Title to Unacceptable Waste shall not pass to Contractor, and liability for any Unacceptable Waste shall remain with the generator of such Waste. If Unacceptable Waste is discovered before it is collected by Contractor, Contractor may refuse to collect the entire waste container that contains the Unacceptable Waste. In such situations, Contractor shall contact the City and the City shall promptly undertake appropriate action to ensure that such Unacceptable Waste is removed and properly disposed of by the depositor or generator of the Unacceptable Waste. In the event Unacceptable Waste is present but not discovered until after it has been collected by Contractor, Contractor may, in its sole discretion, remove, transport, and dispose of such Unacceptable Waste at a facility authorized to accept such Unacceptable Waste in accordance with applicable law and charge the depositor or generator of such Unacceptable Waste for all direct and indirect costs incurred due to the removal, remediation, handling, transportation, delivery, and disposal of such Unacceptable Waste. The City shall provide all reasonable assistance to Contractor to conduct an investigation to determine the identity of the depositor or generator of the Unacceptable Waste and to collect the costs incurred by Contractor in connection with such Unacceptable Waste. Subject to the City's providing all such reasonable assistance to Contractor, Contractor shall release City

from any liability for any such costs incurred by Contractor in connection with such Unacceptable Waste, except to the extent that such Unacceptable Waste is determined to be attributed to the City.

5.07. Contractor shall provide adequate Carts and collect Residential Waste and Commercial Waste free of charge from non-profit affordable housing projects, as designated by the City.

6. COLLECTION OPERATION:

6.01. Hours of Operation: Collection of Residential Waste shall begin no earlier than 7:00 A.M. and shall generally not extend beyond 7:00 P.M. No collection of Residential Waste shall be made on Sunday. Collection of Commercial Waste and Industrial Waste shall be collected at such hours as may be determined by Contractor. No collection of Commercial Waste shall be made on Sunday, unless requested by a Customer and agreed to by Contractor.

6.02. Collection Routes: Collection routes shall be as provided in Exhibit C, attached hereto and incorporated herein, but shall commence not earlier than December 1, 2020.

6.03. Holidays: The following shall be holidays for purposes of this Agreement:

New Year's Day
 Memorial Day
 Independence Day
 Labor Day
 Thanksgiving Day
 Christmas Day

Contractor shall be responsible for providing make-up collection for residential routes that occur on these holidays. Make-up days shall be the next business day following the holiday.

6.04. Complaints: Customer complaints shall be directed by the City to Contractor, and Contractor shall promptly resolve such complaint. Contractor shall be responsible for maintaining a log of complaints based on the information provided to Contractor by the City. On a monthly basis, Contractor shall provide the City with copies of all complaints indicating the date, time, and nature of the complaint, and the manner and timing of its resolution. Any alleged missed pickups will be investigated and, if such allegations are verified, Contractor shall arrange for collection on the next business day after verification. If the missed pickup is a result of a Customer's act or omission, the City shall take appropriate action to cause such Customer to subsequently properly set out such Waste.

6.05. Collection Equipment: Contractor, at its sole cost and expense, agrees to furnish all trucks, equipment, machines, and labor which are reasonably necessary to adequately, efficiently, and properly collect and transport Waste from Customers serviced by Contractor in accordance with this Agreement. All motor vehicles used in performance of the obligations herein created shall be clearly marked with the Contractor's name, telephone number and unit number legible from 150 feet. No advertising shall be permitted on vehicles. All collection equipment shall be maintained in a first class, safe, and efficient working condition throughout the term of the Agreement. Such vehicles shall be maintained and painted as often as necessary to preserve and present a well-

kept appearance, and a regular preventative maintenance program. The City may inspect Contractor's vehicles at any time to ensure compliance of equipment with this Agreement or require equipment replacement schedule to be submitted to City. Vehicles are to be washed on the inside and sanitized with a suitable disinfectant and deodorant a minimum of once a month. Such vehicles shall be washed and painted or repainted as often as necessary to keep them in a neat and sanitary condition. Contractor shall not use vehicles that leak oil, hydraulic fluid or other substances, or present an unhygienic or unsafe appearance, but shall carry absorbent materials to clean such leaks should they occur.

6.06. Disposal. The Contractor shall deliver collected Waste to a duly permitted Disposal Site.

6.07. Spillage: The Contractor shall not be responsible for scattered Refuse unless the same has been caused by Contractor, in which case all scattered Refuse shall be picked up immediately by Contractor. During transport of Waste, all materials shall be contained, covered, and enclosed. Any spillage caused by Contractor shall be collected within two (2) hours of discovery.

6.08. Vicious Animals: Contractor shall not be required to collect Refuse at a site where dangerous animals are present. Contractor shall immediately notify the City, in writing, of such condition and of his inability to make collection.

6.09. Protection from Scattering: Each vehicle shall be equipped with a cover which may be net with mesh not greater than one and one-half (1 1/2) inches, or tarpaulin, or fully enclosed metal top to prevent leakage, blowing or scattering of refuse onto public or private property. Such cover shall be kept in good order and used to cover the load going to and from the Disposal Site, during loading operations, or when parked if contents are likely to be scattered. Vehicles shall not be overloaded to scatter Refuse.

6.10. Point of Contact: All dealings and contacts between Contractor and the City shall be directed between the municipal services manager of Contractor, or such other individual identified by Contractor, and the Contract Administrator designated by the City.

7. SPECIFICATIONS FOR RECYCLING SERVICES:

7.01. City's Duty. City shall make a commercially reasonable effort to educate its Customers regarding Acceptable and Unacceptable Materials and to encourage its Customers to place only Acceptable Materials in their recycling containers.

7.02. Right to Inspect/Audit. Contractor may visually inspect the collected Recyclable Materials to ensure loads are at or below the Unacceptable Material Threshold. If Contractor's visual inspector determines that loads of Recyclable Material are consistently above the Unacceptable Material Threshold, Contractor will notify City of the issue and the parties agree to promptly negotiate in good faith (a) an agreed upon procedure to audit a representative sample of City's Recyclable Material to determine its actual composition of Unacceptable Material; and (b) an updated collection rate commensurate with the composition of Unacceptable Material.

7.03. Changes in Market Conditions. If market conditions develop that limit or inhibit Contractor from selling some or all of the Acceptable Material, Contractor may at its option and

upon notice to supplier (i) redefine Acceptable and Unacceptable Materials, (ii) update the processing facility's average commodity mix; (iii) suspend or discontinue any or all Services, or (iv) dispose of the Acceptable Material (as currently defined) in a landfill and update the pricing to City accordingly. Any such actions, if taken, may be reversed or further changed as market conditions dictate.

7.04. Acceptable Material. All material must be empty, clean and dry. Contractor may modify the following list of Acceptable Materials in its sole and absolute discretion but will provide City with at least thirty (30) days' prior written notice of any such modifications.

- Aluminum food and beverage containers - aluminum soda and beer cans, cat food cans, etc.
- Ferrous Cans - soup, coffee cans, etc.
- P.E.T. plastic containers with the symbol #1 - no microwave trays
- H.D.P.E. natural plastic containers with the symbol #2 - milk jugs and water jugs containers only (narrow neck containers)
- H.D.P.E. pigmented plastic containers with the symbol #2 - detergent, shampoo, bleach bottles without caps (narrow neck containers); butter and margarine tubs
- Polypropylene plastic food and beverage containers symbol #5 - yogurt containers
- Mixed Paper (54), as defined in the most recent ISRI Scrap Specifications Circular
- Sorted Residential Paper and News (56), as defined in the most recent ISRI Scrap Specifications Circular
- Old Corrugated Containers (OCC) - no wax coated
- Magazines (OMG) - Coated magazines, catalogues and similar printed materials, junk mail, and soft cover books
- Aseptic Cartons - Juice boxes, gable top milk and juice containers, soy milk and soup cartons
- Glass beverage containers - Flint (clear), Amber (brown), Emerald (green)

7.05. Unacceptable Material. Contractor may modify the following list of Unacceptable Materials in its sole and absolute discretion but will provide City with at least thirty (30) days' prior written notice of any such modifications.

- Yard waste
- Styrofoam
- Pizza Boxes, unless free of any food or grease residue
- Food
- Any liquids
- Diapers
- Clothing/textiles
- Plastic Bags or bagged material (newsprint may be placed in a Kraft bag)
- Plastic containers with #3, #4, #6, or #7 on them or no # at all
- Mirrors, window or auto glass, light bulbs, ceramics
- Oil or antifreeze containers

- Coat hangers
- Paint cans
- Medical waste/sharps
- Any Acceptable Material that is no longer acceptable due to its coming into contact with or being contaminated by Unacceptable Material.

8. LICENSES:

Contractor shall obtain at its sole expense all licenses and permits required by the City and the State of Texas and shall maintain same in full force and effect.

9. BILLING:

- On a monthly basis, City shall bill and collect the Base Rates for Residential Units, plus any applicable sales, use or services taxes assessed or payable in connection with the services rendered herein.
- Contractor shall bill and collect the Base Rates for Commercial Units and Industrial Units, plus any applicable sales, use or services taxes assessed or payable in connection with the services rendered herein. If the Contractor wishes to suspend or discontinue Services to a Customer for any non-payment, notice shall be sent to the City.
- The City shall be entitled to receive a six percent (6%) franchise fee (the "Franchise Fee") for all services rendered by Contractor hereunder to Residential Units, Commercial Units, and Industrial Units. Contractor shall pay the City the Franchise Fee based on payments actually received from collection and disposal of Residential Waste, Commercial Waste, and Industrial Waste, to be paid by Contractor within thirty (30) days after the last day of the month of Contractor's receipt of such payment, and is intended to apply to gross revenues (exclusive of sales tax revenues) received by Contractor arising from its operations under this Agreement, which includes but is not limited to Base Rates, reinstatement fees and replacement charges.

10. RATES FOR SERVICES; RATE ADJUSTMENTS; ADDITIONAL FEES AND COSTS:

10.01 Rates for Residential Unit services. The rates for collection to Residential Units shall be as shown in Exhibit A, subject to the rate adjustments and additional fees and costs as set forth herein. On October 1, 2021, Base Rates for Residential Units shall increase according to Exhibit A and then again on October 1, 2022. On October 1, 2023, the rates for Residential Units shall increase or decrease according to an average of the previous twelve (12) months' CPI.

10.02 Rates for Commercial and Industrial Unit services. The rates for collection to Commercial Units and Industrial Units shall be as shown in Exhibit B, subject to the rate adjustments and additional fees and costs as set forth herein. On the one-year anniversary of this Agreement, the rates for collection to Commercial Units and Industrial Units shall increase 20%. On the two-year anniversary of this Agreement, the rates for collection to Commercial Units and Industrial Units shall increase 10%. On the year anniversaries thereafter, the rates for collection to Commercial

Units and Industrial units shall increase or decrease according to an average of the previous twelve (12) months' CPI.

11. CITY'S OBLIGATIONS:

The City agrees to perform all obligations required of the City pursuant to the terms of this Agreement, including the following:

- a) The City shall designate the Contract Administrator, who shall communicate City decisions to Contractor on a timely basis from time to time as required under this Agreement;
- b) When applicable, the City shall notify Contractor of Customers to be added or dropped from Contractor services, or of any change in Customer service and shall require all Residential Unit, Commercial Unit, and Industrial Unit Customers to utilize Contractor's services pursuant to this Agreement;
- c) The City shall timely inform Contractor of complaints made by Customers;
- d) The City shall work with Contractor in good faith to resolve complex Customer service issues; and
- e) The City will cooperate with Contractor to educate Customers to encourage, promote and obtain proper Waste disposal as required by this Agreement, including educating Residential Unit Customers to assure proper and timely set out, and proper recycling techniques to minimize contamination.

12. COMPLIANCE WITH LAWS:

Contractor, its officers, agents, employees, contractors, and subcontractors, shall abide by and comply with all existing laws and laws which may be enacted by the federal, state, and local governments. It is expressly agreed that nothing in this Agreement shall be construed in any manner to abridge the right of City to pass or enforce necessary police and health regulation for the protection of its inhabitants. It is further agreed and understood that, if the City calls the attention of Contractor to any such violations on the part of the Contractor, its officers, agents, employees, contractors, or subcontractors, then Contractor shall immediately desist from such activity and correct such violation.

13. OFFICE:

Contractor shall maintain an office or such other facility through which it may be contacted by telephone without charge. Such office shall be equipped with sufficient telephones and shall have a responsible person in charge between the hours of 7:00 a.m. and 7:00 p.m., Monday through Friday.

14. ENFORCEMENT:

City grants unto Contractor the right to seek an injunction against any third party which is believed to be infringing on the rights of Contractor to this Agreement, including Contractor's exclusive franchise rights granted herein. By granting this right to Contractor, the City in no way reduces its right or obligation to enforce this Agreement or any other City ordinance relating to the collection and disposal of Waste. Furthermore, Contractor shall have all rights and remedies available to it under Texas law to collect delinquent payment of fees by City and/or Commercial Unit and Industrial Unit Customers. The City agrees to take all steps necessary and permitted by law to require Customers to comply with the terms of this Agreement.

15. TRANSFERABILITY OF AGREEMENT:

Other than by operation of law, no assignment of the Agreement or any right accruing under this Agreement shall be made in whole or in part by the Contractor without the express written consent of the City, which consent shall not be unreasonably withheld. Upon the assignment, the assignee shall assume the liability of the Contractor. Notwithstanding anything contained herein to the contrary, Contractor shall be permitted to assign this Agreement to a subsidiary or parent company of Contractor without the City's consent.

16. LANDFILL:

Contractor shall have and maintain during the term hereof, adequate disposal for the City's needs.

17. TERMINATION:

If either party breaches any material provision of this Agreement and such breach is not substantially cured within 30 days after receipt of written notice from the non-breaching party specifying such breach in reasonable detail, the non-breaching party may terminate this Agreement by giving thirty (30) days written notice of termination to the breaching party. However, if the breach cannot be substantially cured within 30 days, the Agreement may not be terminated if a cure is commenced within the cure period and for as long thereafter as a cure is diligently pursued. Upon termination, the City shall pay Contractor only such charges and fees for the services performed on or before the termination effective date and Contractor shall collect its equipment, and Contractor shall have no further obligation to perform any services under this Agreement.

18. DISPUTE RESOLUTION:

The parties shall endeavor to settle all disputes under, or relating to, this Agreement by amicable negotiations. Except as otherwise provided herein, any claim, dispute, disagreement or controversy that arises among the parties under or relating to this Agreement that is not amicably settled shall be submitted to non-binding mediation. If the parties remain unable to resolve the controversy through mediation, then, subject to Section 27, either party may pursue their claim, dispute, disagreement or controversy in a court with proper venue in the state within which the services are being performed.

19. FORCE MAJEURE:

The performance of this Agreement may be suspended, and the obligations of either party excused in the event of and during the period that such performance is prevented or delayed by a Force Majeure occurrence. "Force Majeure" shall mean:

Except for City's obligation to pay amounts due to Contractor, any failure or delay in performance under this Agreement due to contingencies beyond a party's reasonable control, including, but not limited to, strikes, riots, pandemics, epidemics, terrorist acts, compliance with applicable laws or governmental orders, fires, bad weather and acts of God, shall not constitute a breach of this Agreement, but shall entitle the affected party to be relieved of performance at the current pricing levels under this Agreement during the term of such event and for a reasonable time thereafter. The collection or disposal of any increased volume resulting from a flood, hurricane or similar or different Act of God over which Contractor has no control, shall not be included as part of Contractor's service under this Agreement. In the event of increased volume due to a Force Majeure event, Contractor and the City shall negotiate the additional payment to be made to Contractor. Further, the City shall grant Contractor variances in routes and schedules as deemed necessary by Contractor to accommodate collection of the increased volume of Waste.

20. STORM DEBRIS:

City has the right to contract with any contractor or entity of its choice or as may be required by the Federal Emergency Management Association to provide Disaster or Storm Debris services within the City after a Disaster or Storm Event. For purposes of the resulting contract and this Agreement, "Disaster or Storm Event" shall mean an event, such as a tornado, hurricane, wildfire, severe thunderstorms or flooding, ice or hail storm, war, riot, act of terrorism, or other Act of God that results in the generation of higher than normal volumes of Waste, Bulky Waste, or Solid Waste by Residential Units, Commercial Units, or Industrial Units and that requires additional equipment, manpower, or resources beyond that which is included within this Agreement to collect and manage. It is not intended to be inclusive of Waste, Bulky Waste, or Solid Waste not directly caused by an event described in the preceding sentence. "Disaster or Storm Debris" shall mean debris, such as Waste, Bulky Waste, or Solid Waste, generated by Residential Units, Commercial Units, or Industrial Units as a direct result of a Disaster or Storm Event and that require collection and disposal and/or handling.

The City has requested that Contractor prepare a Disaster Management Plan that sets forth the activities and rates that Contractor would undertake should the City select Contractor to perform and should Contractor provide such Disaster or Storm Event services:

- 1) Contractor would designate a local Contractor employee as its Disaster or Storm Event ("Event") representative to act as the lead contact and liaison with the City in responding to the Event. Contractor would request that this employee be designated as a member of the City's office of emergency management team to ensure seamless communication in coordinating Contractor's response. Contractor's designated representative would coordinate with both Contractor operations personnel and the City in responding to the Disaster or Storm Event.

2) Once the City declares it safe, Contractor operational personnel will, with the assistance of City staff, perform an assessment of the scope and impact of the Disaster or Storm Event and will begin putting together a plan and/or recommendations to perform clean-up services. Contractor's ability to assimilate the necessary equipment and labor in order to respond to the Disaster or Storm Event will be driven, in large part, by the size of the Event, the extent of the damage caused by the Disaster or Storm Event, weather factors, citizen reaction, and the accessibility of streets. The type, size, and number of vehicle(s) needed to perform the clean-up services will be influenced by the amount of debris generated, the size of the debris, Special Waste mixed into the debris, and access to the areas needing clean-up. As such, each Disaster or Storm Event may require the use of a different type of collection vehicle to perform removal services and the costs will vary based on the type of vehicle deployed.

3) Once Contractor's initial assessment has been completed, Contractor will provide a letter or report to the City's designated representatives regarding the scope of the Disaster or Storm Debris clean-up that Contractor believes is necessary. Typically, the full scope and extent of such a clean-up cannot be reasonably determined until at least seventy-two (72) hours after the Disaster or Storm Event has occurred.

4) Contractor can contract with specialized disaster clean-up companies to assist with the effort if requested by the City. Contractor can act as the contractor for the City, if requested, and take responsibility for managing these subcontractors and their activities.

5) Following a Disaster or Storm Event, Contractor shall provide at least one (1) collection service to Residential Units for collection of Disaster or Storm Debris upon Customer scheduling with Contractor either electronically or by telephone.

21. EVIDENCE OF INSURANCE:

During the Term of this Agreement, Contractor shall maintain in force, at its expense, insurance coverage with minimum limits as follows:

Workers' Compensation

Coverage A - Statutory

Coverage B - Employers Liability \$1,000,000 each Bodily Injury by Accident

\$1,000,000 policy limit Bodily Injury by Disease

\$1,000,000 each occurrence Bodily Injury by Disease

Automobile Liability

Bodily Injury/Property Damage Combined – Single Limit \$3,000,000

Coverage is to apply to all owned, non-owned, hired and leased vehicles (including trailers).

Commercial General Liability

Bodily Injury/Property Damage Combined – Single Limit \$2,500,000 each occurrence
\$5,000,000 general aggregate

All such insurance policies will be primary without the right of contribution from any other insurance coverage maintained by City. All policies required herein shall be written by insurance carriers with a rating of A.M. Bests of at least “A-” and a financial size category of at least VII. Upon City’s request, Contractor shall furnish City with a certificate of insurance evidencing that such coverage is in effect. Such certificate will also provide for thirty (30) days prior written notice of cancellation to the City, show the City as an additional insured under the Automobile and General Liability policies, and contain waivers of subrogation in favor of the City (excluding Worker’s Compensation policy) except with respect to the negligence or willful misconduct of City.

22. RESPONSIBILITY OF CONTRACTOR TO INDEMNIFY AND HOLD HARMLESS

THE CONTRACTOR AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO THE EXTENT RESULTING FROM CONTRACTOR’S PERFORMANCE OR BREACH OF THIS AGREEMENT: (I) BY REASON OF, OR RESULTING FROM, THE BREACH OF ANY PROVISION OF THIS CONTRACT BY THE CONTRACTOR; (II) BY REASON OF, OR RESULTING FROM, THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONTRACTOR; (III) THE CONTRACTOR’S NONPAYMENT UNDER CONTRACTS BETWEEN THE CONTRACTOR AND ITS CONSULTANTS, ADVISORS, CONTRACTORS, SUB-CONTRACTORS AND SUPPLIERS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE CONTRACTOR OR ITS AGENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO CONTRACTOR’S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE RIGHTS AND OBLIGATIONS CREATED HEREUNDER, (THE “CLAIMS”) NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT, OR NEGLIGENCE OF, OR BREACH BY ANY INDEMNIFIED PARTY. CONTRACTOR IS

EXPRESSLY REQUIRED TO DEFEND THE INDEMNIFIED PARTIES AGAINST ALL SUCH CLAIMS RESULTING FROM CONTRACTOR'S OWN NEGLIGENCE OR BREACH OF THIS AGREEMENT, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST CONTRACTOR IN PROVIDING SUCH DEFENSE.

THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE TO CONTRACTOR A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION AS SET FORTH ABOVE TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS CONTRACT. CONTRACTOR SHALL RETAIN COUNSEL WITHIN TEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND CONTRACTOR SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES, IF THERE IS A FINDING OF LIABILITY DUE TO CONTRACTOR'S NEGLIGENCE OR BREACH.

THIS ARTICLE 22 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT, SUBJECT TO ANY APPLICABLE STATUTE OF LIMITATIONS.

23. OWNERSHIP:

Title to Waste shall pass to Contractor when placed in Contractor's collection vehicle. Title to Unacceptable Waste shall remain with the generator of such Unacceptable Waste.

24. SEVERABILITY:

Should any portion of this Agreement be deemed invalid or unenforceable to any extent, the parties hereto agree that such provision shall be amended to the minimum extent necessary to make such provision enforceable, and the remainder of this Agreement shall not be affected thereby.

25. PRIOR AGREEMENTS:

This Agreement contains the entire agreement between the parties hereto with respect to the matter set forth herein and supersedes any existing agreement between the parties with respect to the matters contained herein. No provision of any other document, including any request for proposal, shall be deemed incorporated herein, it being the intent of the parties that this Agreement sets forth the full agreement of the parties with respect to the services described herein. No change, alteration or amendment will be binding on either party unless set forth in a document duly executed by all parties hereto.

26. RECORDS:

City and Contractor shall maintain records related to this Agreement at their respective places of business. Upon written notification, Contractor agrees to grant City access to any records related to this Agreement. Upon written notification, City shall provide Contractor access to records necessary to fulfill Contractor's invoicing obligations under this Agreement.

27. ATTORNEY'S FEES AND VENUE:

In the event suit is filed by either party as a result of the performance or non-performance of the terms set forth in this Agreement, notwithstanding the provisions of Chapter 271 of the Texas Local Government Code, the prevailing party shall recover its reasonable attorney fees and court costs, with exclusive venue of any such action to be in Denton County, Texas.

28. NOTICES:

All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given (i) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, (ii) by delivering same in person to the intended addressee, (iii) by delivery to an independent third party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee. For purposes of notice, the addresses of the parties shall be as set forth below; provided, however, that either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of 30 days' notice to the other party in the manner set forth herein.

If to the City:

City of Celina, Texas
142 North Ohio St.
Celina, Texas 75009
ATTN: City Manager

If to the Contractor:

Waste Connections of Texas
2138 Country Lane
McKinney, TX 75069
ATTN: District Manager

or such other addresses as the parties may hereafter specify by written notice delivered in accordance herewith.

29. DISCRIMINATION PROHIBITED:

Contractor, in the execution, performance, or attempted performance of this Agreement, shall not discriminate against any person or persons because of sex, race, religion, color, or national origin. Contractor must be an equal opportunity employer.

30. APPROPRIATION; SOVEREIGN IMMUNITY:

The City hereby agrees and acknowledges that the non-appropriation provisions set forth in the Texas Constitution and Local Government Code are not applicable to this Agreement due to the nature of the services rendered by Contractor hereunder, and the City will not use such statute as a defense to payment hereunder. The City does not and shall not be deemed to waive its defenses and immunities, whether sovereign, governmental, official, legislative, qualified or otherwise, all such defenses and immunities being expressly retained. The parties acknowledge and agree that this agreement is not a contract for goods or services provided to the City. Nothing in this Agreement is intended, and nothing herein shall in any way be deemed, to confer or create any rights in any person not a party to this Agreement.

31. HOUSEHOLD HAZARDOUS WASTE:

The Contractor will host a spring or fall City-wide clean-up event which will include collection of the following waste materials:

- Household Hazardous Waste
- E-waste
- Document shredding
- Metal recycling
- Bulk items
- Brush

ACCEPTABLE WASTES

Pesticides

Insect Sprays

Herbicides

Rust Removers

Swimming Pool Chemicals

Wood Preservatives

Used Oil Filters

Batteries:

Vehicle

Household

Fluorescent Tubes

Chlorine Bleach

Drain Openers

Corrosive
(noncommercial)

Lye

Muriatic Acid

Hobby Chemicals

Lubricants

Chemicals

UNACCEPTABLE WASTES

Biological Waste

Radioactive Materials

Detectors

Ammunition

Explosives

Commercial Chemicals

Large containers over 5 gallons

Materials improperly packaged for transportation

Fire Extinguishers

Gas Cylinders

Commercial Chemicals

Unlabeled material

Unknown materials

Tires

Appliances

Liquid Mercury

Driveway Sealer limited to 5 gallon

Used Motor Oil	All Medicines
Used Transmission Fluid	Food Waste/Cooking Oil
Used Motor Oil	
Paint Products	
Oil	
Latex	
Spray	
Stripper	
Paint Thinners	
Automotive Chemicals	
Waxes	
Polishes	
Cleaners	
Carburetor Cleaner	
Brake Fluid	
Gasoline	
Antifreeze	
Sharps	

32. SPECIAL EVENTS:

(a) The City shall provide Contractor at least one week's prior notification of its desire to obtain a Roll-off Bin for special City sponsored events; and

(b) Contractor shall provide to the City, at no additional cost, a minimum of thirty-two (32) Polycarts for City sponsored events and activities, up to twenty-five events per year, including the following:

1. One (1) Roll-Off Bin for the City's Cajun Festival
2. One (1) Roll-Off Bin for the City's Oktoberfest
3. One (1) Roll-Off Bin for the City's Splash and Blast
4. One (1) Roll-Off Bin for Craft and Cork
5. One (1) Roll-Off Bin at an event yet to be determined; and

(c) Contractor shall provide Roll-off Bins to the City at least twice per year for the City's Clean Up, Green Up initiative at no additional cost at the City's discretion. During the first year of the term, a minimum of seven (7) Roll-Off Bins will be provided with the number of Roll-Off Bins provided to be increased by one (1) for each year of the term, ending with twelve (12) being provided in the final year of the term; and

(d) Contractor shall donate \$5,000.00 per year to City sponsored events.

33. MISCELLANEOUS PROVISIONS:

33.01. Termination for Non-Appropriation of Funds. Notwithstanding any other provision of this Contract, the City shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the City's future fiscal years unless and until the City Council appropriates funds for this Contract in the City's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of the last day of the last fiscal year for which funds were appropriated. The City shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

33.02. Recordkeeping and Reporting. Contractor shall submit electronic reports, using software and formats approved by the City, on a monthly basis. All records shall be available to City at reasonable times and places throughout the term of this Agreement and for a period of five (5) years after last or final payment. Contractor shall create, maintain, and deliver to the City the following records:

- Document Solid Waste and Bulky Waste tonnage delivered to disposal facility;
- Document Recyclable Materials delivered to recyclable processing facility;
- Document Bulky Waste delivered to recyclable processing facility;
- Document yard trimmings delivered to yard trimmings processing facility;
- Document Commercial and Industrial Unit collection activity by container size and frequency of pick up.
- Identify unaccepted loads by date collected, route, and facility;
- In addition to the requirements of Section 6.04 herein, document complaints, on a daily basis, including the address, time and date for each and the reason, and resolution;
- Such other documents and reports, as the City may reasonably require, to verify compliance with this Agreement or to meet the City's reporting requirements;
- Other recordkeeping and reporting requirements as agreed upon by City and Contractor; and
- Detailed Commercial and Industrial Unit billings and Franchise Fees assessed in Excel format.

IN WITNESS HEREOF, the parties have entered into this Agreement as of the date first written above.

City of Celina

By: _____

Name: _____

Title: _____

Date: _____

Waste Connections Lone Star, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A

Residential Unit Service Rates with Rate Adjustments

City of Celina					
Residential Unit Service with Rate Adjustments					
	December 1, 2020	October 1, 2021	October 1, 2022	October 1, 2023	October 1, 2024
Residential Curbside Trash	11.20	12.85	14.45	CPI	CPI
Residential Curbside Recycling	2.85	3.20	3.45	CPI	CPI
Total Basic Residential Service	14.05	16.05	17.90		
Additional Polycart	7.00	7.91	8.49	CPI	CPI
Residential Service - Qualifyied Disabled or Elderly Person	10.25	11.58	12.43	CPI	CPI
Residential Recycling Service - Qualifyied Disabled or Elderly Person	2.85	3.22	3.46	CPI	CPI

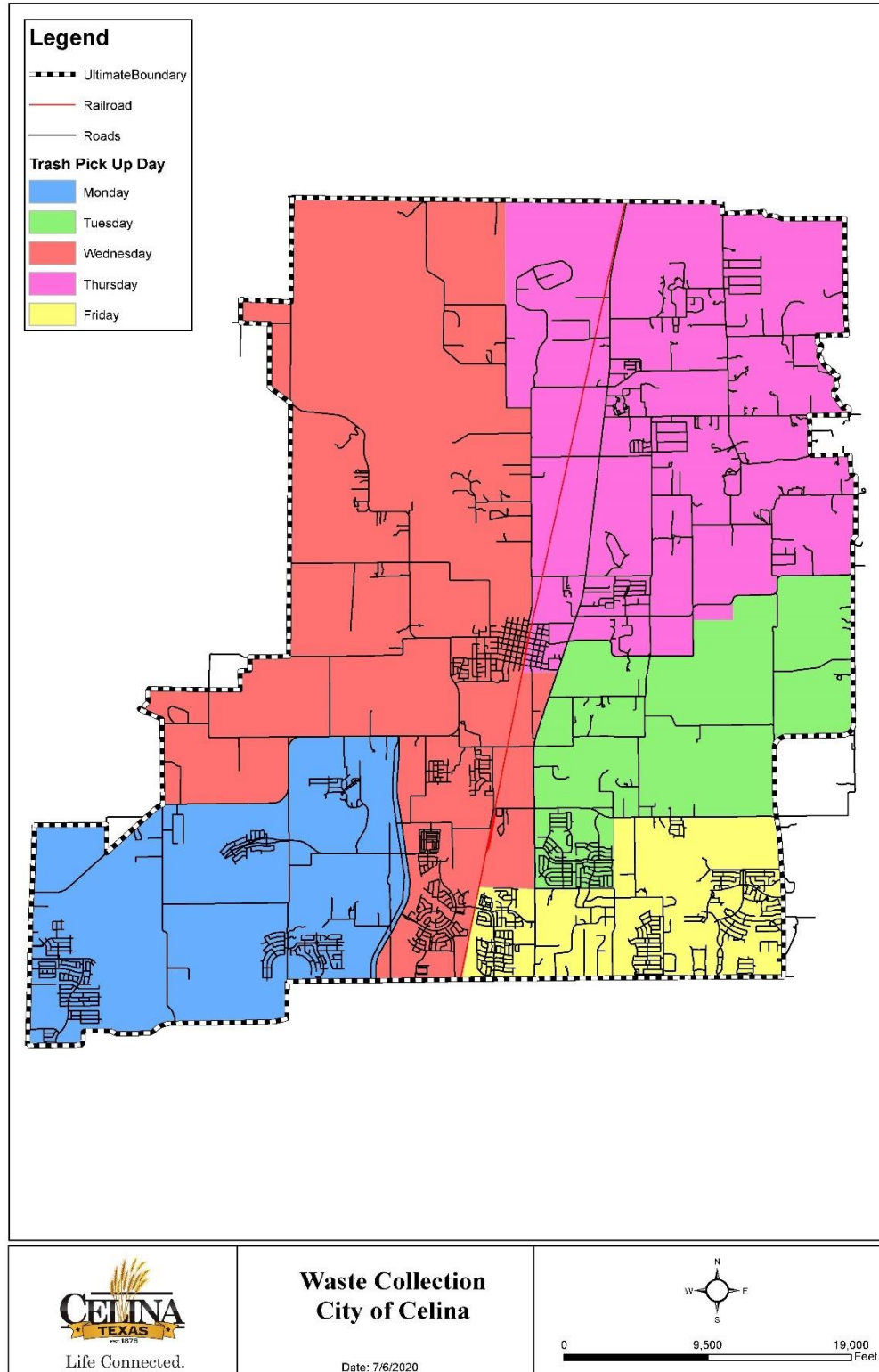
Exhibit B

Commercial Unit and Industrial Unit Rates

City of Celina							
CURRENT COMMERCIAL AND INDUSTRIAL UNIT RATE SHEET							
COMMERCIAL RATE SCHEDULE							
CONTAINER	Lifts Per Week						
Size - Frequency	1	2	3	4	5	6	Extra-Lifts
2 Cubic Yd	70.54	144.42	194.67				50.07
3 Cubic Yd	98.44	218.55	271.69				58.40
4 Cubic Yd	130.45	262.52	360.06				66.73
6 Cubic Yd	146.65	292.72	404.76				91.76
8 Cubic Yd	179.24	322.61	495.06				100.09
	Containers with Gates		\$ 5.00				
	Containers with Casters		\$ 10.00				
	Containers with Locks		\$ 9.75				
ROLL OFF RATE SCHEDULE							
CONTAINER	ROLL OFF OPEN TOP						
SIZE	HAUL	DELIVERY	DAILY RENT	DISPOSAL			
20 Cubic Yd	398.45	104.87	4.20	36.36 per ton			
30 Cubic Yd	398.45	104.87	4.20	36.36 per ton			
40 Cubic Yd	398.45	104.87	4.20	36.36 per ton			

Exhibit C

Collection Routes





Life Connected.

Finance Department
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 8, 2020
 Re: TCAP Agreement

Action Requested:

Consider and act upon a resolution of the City Council of the City of Celina, Texas, hereby authorizing the City Manager of the City of Celina, Texas, to execute a professional services agreement with Texas Coalition for Affordable Power, Inc. (TCAP) to source and procure electricity on behalf of the City; and providing for an effective date. (Berry)

Background Information:

The City entered into an agreement with TCAP in March 2016 to provide services to the City with regards to electricity purchases. The current contract expires December 2022.

TCAP is a non-profit political subdivision of Texas providing service to approximately 165 entities.

TCAP is modifying their procurement method from a long term contract to one year contracts purchased two years in advance. For example, energy purchased for fiscal year 23, would be let and purchased in fiscal year 21.

This process will provide rates in March of each year, which will assist in budgeting. The new process will not require the City to change the retail provider.

Alternatives:

Council may reject the agreement and direct staff.

Financial Considerations:

There are no financial obligations at this time.

Legal Review:

Resolution and agreement have been submitted for review.

Supporting Documents:

Resolution

Exhibit A: PSA TCAP

Exhibit B: CESA

Staff Recommendation:

Staff recommends approving the agreement

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF CELINA, TEXAS
ADOPTING TCAP'S PROFESSIONAL SERVICES
AGREEMENT AND GEXA ENERGY'S COMMERCIAL
ELECTRIC SERVICE AGREEMENT FOR POWER TO BE
PROVIDED ON AND AFTER JANUARY 1, 2023**

WHEREAS, the City of Celina is a member of Texas Coalition For Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation of the State of Texas; and

WHEREAS, TCAP has previously arranged for the City to purchase power through Gexa Energy with a contract set to expire December 31, 2022; and

WHEREAS, TCAP has designed a new procurement strategy that will involve TCAP initially committing to purchase power two years in advance of delivery on behalf of its members who desire participation in a Strategic Hedging Program ("SHP") that will involve a series of monthly competitive auctions; and

WHEREAS, TCAP has prepared a Professional Services Agreement ("PSA"), attached as Exhibit A, that, in addition to enumerating services and benefits to members of TCAP, provides TCAP with specific authority to procure power in the wholesale market on behalf of members who choose to participate in the SHP; and

WHEREAS, approval of the PSA is a necessary, but not sufficient, prerequisite to participation in the SHP; and

WHEREAS, the PSA is a relational contract that defines services provided by TCAP to members regardless of whether a member decides to commit to the SHP; and

WHEREAS, the industry-standard retail contract is a Commercial Electric Service Agreement ("CESA") offered by a Retail Electric Provider ("REP"); and

WHEREAS, TCAP has negotiated modifications to the current CESA between the City and Gexa Energy to reflect participation in the SHP; and

WHEREAS, the CESA that will facilitate participation in the SHP effective for power deliveries in and beyond 2023 (attached as Exhibit B) will need to be approved and signed prior to October 1, 2020; and

WHEREAS, the City desires to participate in the SHP.

Attachment: Resolution. (TCAP Agreement)

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

SECTION 1. That the City Manager is authorized to sign Exhibit A, TCAP's Professional Services Agreement, and Exhibit B, Gexa Energy's CESA, and send the agreements to TCAP, 15455 Dallas Parkway, Ste 600, Addison, TX 75001.

PASSED AND APPROVED this 8th day of September, 2020.

Jason Laumer, City Manager

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, City Attorney

Attachment: Resolution. (TCAP Agreement)

Exhibit A

PROFESSIONAL SERVICES AGREEMENT BETWEENCITY OF CELINA AND TEXAS COALITION FOR AFFORDABLE POWER, INC.

This Professional Services Agreement (“AGREEMENT”) is made and entered by and between Texas Coalition for Affordable Power, Inc. (“TCAP”), a non-profit, political subdivision corporation, and City of Celina (“MEMBER”), a TCAP member.

SECTION 1 DURATION:

This AGREEMENT becomes effective as of signing by MEMBER and shall remain effective as long as MEMBER is being served by TCAP and MEMBER’s electric load included in a current TCAP procurement.

SECTION 2 PURPOSE OF AGREEMENT:

The purpose of this AGREEMENT is to define services and obligations of TCAP to MEMBER and obligations of MEMBER to TCAP and other members. In furtherance of this AGREEMENT, MEMBER will enter into a Commercial Electric Service Agreement (“CESA”) with a retail electric provider (“REP”) selected by TCAP pursuant to the terms set forth herein; provided that nothing in this AGREEMENT is intended to alter the price or other terms of MEMBER’s current CESA in effect through December 31, 2022.

SECTION 3 OBLIGATIONS OF TCAP TO MEMBER:

MEMBER authorizes TCAP to contract for the purchase of energy for MEMBER in the wholesale market from an energy manager selected by TCAP (“Energy Manager”) and to select an acceptable, cost-beneficial REP to serve MEMBER’s electric accounts. TCAP shall provide procurement services, which services shall consist of securing wholesale power for MEMBER through an alternative procurement strategy, such as TCAP’s Strategic Hedging Program (“SHP”), as may be authorized and defined by TCAP’s Board of Directors. MEMBER may elect to consider fixed-price, fixed-term offers for wholesale power supply, such election to be communicated to TCAP separately in writing by providing an Authorized Election Form to TCAP, the form of which has been attached to this AGREEMENT as Exhibit A. If MEMBER has provided to TCAP an Authorized Election Form, TCAP’s procurement services to MEMBER shall also consist of arranging fixed-price, fixed-term offers to MEMBER following solicitation of competitive offers. TCAP consultants and attorneys will negotiate terms and conditions of all contracts, monitor performance of Energy Managers and REPs, work to avoid and remedy problems that may be encountered by MEMBER where possible, assist MEMBER with wires company issues, and represent MEMBER in energy related matters before State agencies, the courts or legislature. TCAP will provide additional customer services to MEMBER that are defined in SECTION 5.

SECTION 4 OBLIGATIONS AND RIGHTS OF MEMBER:

MEMBER will honor the terms of its CESA and promptly pay or promptly dispute invoices from its REP. MEMBER will comply with the confidentiality and non-disclosure

obligations contained in its CESA and Section 7 of this AGREEMENT. MEMBER will designate one or more individuals to receive notices and updates from TCAP and will promptly update contact information. MEMBER will pay aggregation fees to support the non-profit functions of TCAP assessed annually by the TCAP Board of Directors and recovered as part of the energy charges paid to REP. Also, MEMBER will pay or receive refunds equal to the Quarterly Adjustment and the Annual Adjustment mutually agreed upon by TCAP and the Energy Manager to address certain variable costs and charges, including costs imposed by ERCOT, such payment or receipt of funds subject to the reserve account as further described herein. TCAP members will fund, and TCAP will maintain and administer, a reserve account to facilitate the reconciliation of any Quarterly Adjustments or Annual Adjustments by collecting any excess amounts paid and/or paying any deficient amounts incurred (as possible). The reserve account balance will be maintained at a minimum level to cover anticipated future needs for up to two (2) years. The TCAP Board may vote to refund to members amounts in excess of future anticipated needs. Any monies remaining in the reserve account at the dissolution of TCAP will be refunded to current membership at the time of dissolution. TCAP is owned and controlled by its members and is governed by a Board of Directors consisting of employees or elected officials of members. Consistent with TCAP's Bylaws, each MEMBER has a right to nominate its representative to serve on the Board of Directors and has a right to vote in annual elections of Board members. MEMBER has a right to attend or monitor each Board meeting. TCAP has a financial audit performed each year and MEMBER has a right to a copy of the annual audit upon request.

SECTION 5 TCAP SERVICES TO MEMBER:

A. Procurement of Energy Supplies and REP Services

1. TCAP Procurement Services and Capabilities

TCAP will assist prospective members in reviewing market conditions and in estimating the most price opportune time to contract for energy supplies. TCAP will work with MEMBER to achieve a competitive price that balances supply security and risk tolerance while maintaining superior billing and customer services. As a political subdivision corporation, offering electricity procurement to political subdivisions, TCAP has the ability to procure wholesale energy supplies and REP services separately to secure the most effective combination of competitively priced energy supplies and superior billing and customer services. TCAP may utilize either wholesale or retail sources of power, or some combination of both. TCAP may utilize multiple suppliers with different generation resources. TCAP will solicit bids from multiple sources for energy supplies. TCAP aggregates the load of all members to maximize clout in negotiating contract terms. TCAP's objective in negotiations with suppliers is to continue obtaining favorable terms regarding band widths for annual usage based on total load of all members (rather than based on MEMBER's individual load) and to minimize fees for adding or deleting accounts. TCAP will monitor the wholesale and retail markets for favorable hedging

opportunities. TCAP will also monitor, evaluate and issue requests for proposals for power development opportunities beneficial to its MEMBERS, including renewable projects (each, a “Power Project”).

2. MEMBER Procurement Options

If MEMBER elects a fixed-price contract for a fixed period by submitting an Authorized Election Form, TCAP will function as MEMBER’S agent in the wholesale energy marketplace in soliciting, evaluating and negotiating each such fixed-price contract. Absent an election, MEMBER shall participate in other procurement strategy options offered by TCAP, such as TCAP’s SHP, and TCAP will function as MEMBER’s electric energy procurer. As such, TCAP will (i) oversee the Energy Manager, (ii) will direct the Energy Manager to solicit wholesale energy market quotes, (iii) will cause the Energy Manager to transact at the most favorable executable market quotes and (iv) will negotiate and develop the Energy Price in MEMBER’S CESA (the “CESA Energy Price”). The CESA Energy Price shall be developed and agreed upon by TCAP, the Energy Manager and the REP and shall include the wholesale energy market transactions as well as Energy Manager’s estimate of any non-fixed charges, including zonal congestion charges, ancillaries service charges, and other charges in connection with MEMBER’S load. If MEMBER elects to purchase power from a Power Project solicited and chosen by TCAP via a competitive RFP process (or other similar process), TCAP will function as MEMBER’S electric energy procurer, and will direct the Energy Manager to include the value of the power procured from such projects in the development of MEMBER’S CESA price.

B. Customer and Billing Services Provided by TCAP

1. REP Portal

TCAP consultants oversee the development and presentation of the REP’s portal for TCAP members; the REP will be responsible for operation of the portal. TCAP provides training and assistance regarding portal use.

2. REP Customer Service

TCAP negotiates with the REP regarding service standards and annually reviews REP performance. TCAP maintains a right to replace a REP for unsatisfactory performance without affecting the price of wholesale power, so long as the replacement REP has a credit rating acceptable to the Energy Manager. TCAP continuously monitors customer billings and will alert both the REP and MEMBER, when appropriate, of any billing errors and the adjustments needed to ensure accurate and reliable billings to MEMBER. TCAP will advocate on behalf of MEMBER when needed to resolve billing or customer service issues. TCAP will review customer billings and make MEMBER aware of inactive accounts that MEMBER may be able to disconnect to save monthly charges.

3. TCAP Assistance with Budgets and Required Filings and Assistance with TDSP Issues

TCAP monitors Public Utility Commission (“PUC”) and ERCOT activity and will provide MEMBER a forecast of changes in non-by passable charges that may impact MEMBER’s annual budget estimates. TCAP will prepare an annual electricity cost estimate for MEMBER. TCAP will assist MEMBER in preparation of energy related reports that may be necessary for MEMBER to file in response to legislative or agency mandates. TCAP will assist MEMBER in understanding non-bypassable charges included in REP invoices, and assist in resolving issues caused by errors of MEMBER’S Transmission and Distribution Service Provider (“TDSP” aka “wires company”).

4. Information Services

TCAP maintains a member web site, www.tcaptx.com. In addition to regular blog postings on energy news relevant to MEMBER, TCAP has prepared and posted major reports on the history of deregulation in Texas and a history of ERCOT. TCAP consultants continuously monitor the Nymex gas market, ERCOT energy market, and economic conditions that may affect MEMBER, as well as activities at the PUC and ERCOT. Important trends are noted in consultant reports to the Board of Directors and are attached to Board Minutes. TCAP’s Executive Director prepares and distributes a monthly newsletter and coordinates TCAP activities with various city coalitions and Texas Municipal League (“TML”). The Executive Director monthly newsletters will also include important or trending issues in the energy markets.

5. Demand Response, Distributed Generation and Cost Savings Strategy

TCAP will work with relevant service providers to make available to MEMBER competitive demand reduction programs that facilitate MEMBER’s participation in TDSP and ERCOT cost reduction strategies approved by the PUC. Upon request, TCAP will monitor and evaluate demand reduction program performance metrics. TCAP will assist MEMBER in reviewing, analyzing and developing distributed generation programs that can reduce wires and energy costs and/or provide backup power to specific facilities. TCAP will assist MEMBER in meeting renewable energy goals established by MEMBER, including behind-the-meter solar projects and local wind projects.

6. Regulatory and Legislative Representation

TCAP will provide representation and advocacy services on energy issues relevant to MEMBER in regulatory and legislative areas including, but not limited to, ERCOT stakeholder meetings, PUC projects and dockets, and legislative actions.

7. Strategic Hedging

To the extent that there is sufficient interest and commitment of load of TCAP members within an ERCOT zone, and to the extent MEMBER has not elected a fixed-price contract for a fixed period, MEMBER will perpetually (subject to potential charter or ordinance constraints on length of contracts) commit to two-year participation obligations. MEMBER may terminate participation in the SHP, without energy price penalties and with minimal other termination fees, by providing sufficient notice as set forth herein (Section 6). A SHP price will be determined at least 9 months prior to the effective date of the price by averaging the winning bids from periodic competitive auctions that occur throughout the 24 months preceding the effective date. TCAP will direct Energy Manager to conduct the periodic competitive auctions. TCAP will have the right to audit the auction results. The auction process will be designed to identify competitively priced energy supplies from a variety of creditworthy suppliers, resulting in prices that are rarely, if ever, significantly above prevailing market prices and that should generally be less than pricing for long-term fixed priced contracts (when evaluated from a common contract start date and term). Designed to take advantage of the characteristics of the nation's well supplied energy markets, the SHP will also be flexible enough to respond to market changes when and if they occur in the future. Participation in the SHP may be viewed as a series of 24 -month forward year-to-year contracts for as long as desired by MEMBER. If MEMBER participates in the SHP, MEMBER agrees that TCAP is authorized to direct Energy Manager to procure electric energy in the wholesale market on MEMBER's behalf and that TCAP is authorized to commit MEMBER's load to periodic competitive auctions.

SECTION 6 MEMBER RIGHT OF TERMINATION:

A. Fixed-Term, Fixed-Price Contract

MEMBER may terminate a CESA prior to the end-of-term specified in a contract subject to payment of "Liquidated Damages" prescribed in MEMBER's CESA. If MEMBER commits to a fixed multi-year term, fixed-price contract and wants to terminate the agreement prior to the end of the fixed multi-year term, liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the fixed-price agreement and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER's CESA.

B. Strategic Hedging Program

Since the SHP is based on a series of one-year term contracts, MEMBER is entitled to exit the program so long as notice of termination can be given prior to inclusion of MEMBER's load in the competitive auction process for a future year's price. TCAP will periodically notify MEMBER of expected procurement schedules and provide no less than 90 days

prior notice of any upcoming solicitation, and MEMBER may notify TCAP that it wants to exclude its load from the competitive auction process by giving notice at least 60 days prior to the next procurement date. Termination of involvement in SHP without appropriate notice will require calculation of damages as prescribed by CESA under Edison Electric Institute (“EEI”) principles with the intent of making the REP and Energy Manager whole for the termination. Liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the SHP price and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER’s CESA.

C. Participation in Power Projects

If MEMBER has chosen to purchase power from a Power Project through TCAP, in accordance with a signed Project Addendum attached to MEMBER’S CESA, MEMBER’s termination rights with respect to its commitment to purchase power from the Power Project shall be contained in the Project Addendum.

SECTION 7 CONFIDENTIALITY:

MEMBER is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If MEMBER receives a valid request under applicable public information laws for information related to this AGREEMENT or its CESA, it shall provide TCAP notice of the request including a description the information sought prior to MEMBER’s release of information so that TCAP has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “Receiving Party”) shall keep confidential and not disclose to third parties any information related this AGREEMENT, except for disclosures to Authorized Parties or as otherwise required by law; and provided that MEMBER authorizes TCAP to provide Energy Manager and REP with any relevant information concerning MEMBER’s account, usage and billings. The provisions of this Section 7 apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this AGREEMENT for a period of two (2) years. “Authorized Parties” means those respective officers, directors, employees, agents, representatives and professional consultants of MEMBER and TCAP and each of their respective affiliates that have a need to know the confidential information for the purpose of evaluating, performing or administering this AGREEMENT.

SECTION 8 PARAGRAPH HEADINGS:

The paragraph headings contained in this AGREEMENT are for convenience only and shall is no way enlarge or limit the scope or meaning of the various and several paragraphs.

SECTION 9 COUNTERPARTS:

This AGREEMENT may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 10 DEFINITIONS:

“Annual Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to Power Project settlements, if applicable. For those MEMBERS that participate in SHP, the Annual Adjustment shall also include (i) adjustments related to the loss factor for each specific ERCOT zone and (ii) adjustments related to load reconciliation as determined by TCAP, the Energy Manager and the REP.

“Energy Manager” means the wholesale market participant selected by TCAP to conduct SHP procurements at TCAP’s direction, in accordance with Section 5A and Section 7 of this Agreement. The Energy Manager may sell all or a portion of the required wholesale energy to TCAP or TCAP’s REP.

“Power Project” means a power generation project identified by TCAP to supply electric energy to one or more TCAP Members.

“Project Addendum” means the Addendum for a Power Project, if any, signed and attached as an Exhibit to MEMBER’S CESA.

“QSE Services Fee” means the QSE Services Fee in affect during the Delivery Term, as agreed between TCAP and Energy Manager.

“Quarterly Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to (i) ERCOT zonal congestion charges and (ii) ancillary services charges and other charges imposed by governmental agencies or ERCOT upon wholesale suppliers or REPs under statutes, regulations or courts for services within ERCOT zones. Said charges or refunds will be proportional to MEMBER’s relative contribution to TCAP load within specific ERCOT zones.

“Retail Electric Provider” or “REP” means the Retail Electric Provider that is party to (i) the REP Services Agreement with TCAP and (ii) the CESA between itself and MEMBER for the provision of retail electric service.

“Strategic Hedging Program” or “SHP” means an energy procurement strategy approved by TCAP’s Board of Directors, overseen by TCAP’s designated consultants, and administered by TCAP’s appointed Energy Manager, whereby wholesale energy is solicited and procured at agreed upon intervals, as directed by TCAP.

EXECUTED on this the 8th day of September, 2020.

MEMBER:

By: _____

Printed Name: Jason Laumer

Title: City Manager

TCAP:

By: _____

Printed Name: _____

Title: _____

COMMERCIAL ELECTRICITY SERVICE AGREEMENT

This Commercial Electricity Service Agreement, including all of the Attachments, Schedules, and Exhibits, which are attached and incorporated (collectively, the “**Agreement**”), is entered into between Gexa Energy, LP (“**Gexa**”), a Texas limited partnership, and **City of Celina** (“**Customer**”). Gexa and Customer may be referred to individually as a “**Party**” or collectively as the “**Parties**”.

SECTION 1: RETAIL ELECTRIC SALES AND SERVICES

1.1 Appointment and Scope. Customer appoints Gexa as its Retail Electric Provider (“**REP**”) for the ESI ID(s) served under this Agreement. Customer authorizes Gexa to: (i) act as Customer’s REP for all purposes; and (ii) provide the services required of a REP including, without limitation, the procurement, scheduling and delivery of electricity throughout the Term to each of the ESI ID(s) in accordance with the terms set forth in this Agreement, including the Terms and Conditions of Service set forth in Attachment A. Customer’s appointment imposes no other duties on Gexa other than those specified in this Agreement and the REP Services Agreement.

1.2 Agreement to Purchase. Customer shall purchase its electricity requirements from Gexa throughout the Term for each of the ESI ID(s) except as otherwise provided. The electricity and services Customer receives from Gexa is for Customer’s exclusive proprietary use. Customer alone shall pay for electricity and services provided and for electricity and services Customer fails to take pursuant to its contractual obligations. If Gexa fails to deliver sufficient quantities of electricity to the TDSP for delivery to Customer or fails to schedule the delivery of sufficient quantities of electricity (collectively, a “**Scheduling Failure**”) the TDSP is obligated by law and by its tariff to deliver sufficient electricity to satisfy Customer’s needs. If a Scheduling Failure occurs, Gexa shall financially settle, at no additional cost or expense to Customer, with its Qualified Scheduling Entity (as defined by ERCOT) for the purchase of electricity necessary to cover the Scheduling Failure.

1.3 Membership in TCAP. Customer is a current member of the Texas Coalition for Affordable Power, Inc. (“**TCAP**”), and has entered into the Professional Services Agreement (the “**PSA**”) authorizing the purchase of wholesale energy on behalf of the Customer by TCAP and/or TCAP’s Energy Manager. Such wholesale energy purchases will affect the calculation of the Energy Price throughout the Term of this Agreement as described in Section 2. If, at any time during the Term, Customer elects to participate in a Power Purchase Agreement with a project to be developed for TCAP’s members, and executes the Project Addendum for such project, then the Project Addendum will be attached hereto as Schedule I. Notwithstanding Customer’s TCAP membership status, Customer agrees to fulfill all of its obligations under this Agreement, the PSA and, if applicable, the Project Addendum throughout the Term of this Agreement.

1.4 Term.

(a) Effective Date and Termination Date. Gexa shall provide retail electric service under this Agreement to each ESI ID beginning on the Effective Date and Terminating on the Termination Date, as further defined in this Section 1.4(a) (such period, the “**Term**”). The Effective Date will occur either (i) on the date occurring on or after the Expected Start Date stated in Attachment B on which each such ESI ID is enrolled with Gexa’s service for any new customer, or (ii) if Customer is an existing customer then the Expected Start Date is the meter read date following the expiration of the Customer’s prior Agreement with Gexa. Gexa shall continue to provide retail electric service to each ESI ID unless or until the Customer gives notice to TCAP and Gexa of its intent to terminate its membership with TCAP (“**Termination Notice**”). The Termination Date will occur on each respective ESI ID meter read date during the last month of the calendar year for which electricity has been purchased on Customer’s behalf by either TCAP or the Energy Manager in accordance with the PSA prior to the Termination Notice, except that in no event will the Term exceed beyond December 31, 2037. For avoidance of doubt, the Termination Date for each respective ESI ID shall be the sooner to occur of (i) the meter read date occurring in the last month of the calendar year for which electricity has been purchased by either TCAP or the Energy Manager on behalf of the Customer prior to the Termination Notice or (ii) the meter read date occurring in December 2037. As a result of variations in the timing of the Effective Date described in this Section 1.3 the Term may include a partial calendar month in addition to the number of months set forth in Attachment B, if any.

(b) Delayed Effective Date. Gexa shall use commercially reasonable efforts to cause the Effective Date for each ESI ID to occur on the Expected Start Date. If the Effective Date for an ESI ID occurs more than 20 days after the Expected Start Date, Customer may provide Gexa with evidence of the amount of electricity purchased by Customer from its current REP in connection with that ESI ID during the period on and after the 21st day after the Expected Start Date until the Effective Date (the “**Delayed Effective Date Period**”), and the total amount paid by Customer to its current REP for the electricity it purchased during the Delayed Effective Date Period (the “**Delayed Effective Date Electricity Amount**”). Upon receipt of evidence from Customer Gexa shall calculate and provide Customer a credit against future purchases under this Agreement equal to the positive amount resulting from the following calculation: (a) the Delayed Effective Date Electricity Amount minus (b) the amount that Customer would have paid to Gexa pursuant to this

Attachment: Exhibit B CESA (TCAP Agreement)

Agreement during the Delayed Effective Date Period for the same amount of electricity purchased by Customer current REP during that period in connection with the affected ESI ID(s); provided, that Gexa shall not be required to provide a credit with respect to any period during a Delayed Effective Date Period where the delay was caused by an event outside of Gexa's control.

(c) Service After Term. If, for any reason, service continues beyond the Term, it will be on a month-to-month basis, and the Agreement will continue in effect for the ESI ID(s) except that the Energy Price will be the greater of: (i) the Energy Price as set forth in Section 2.1 below, or (ii) the aggregate weighted average of the Market Rate (as defined herein) as determined for all of the ESI ID(s), for as long as service continues. If Customer has not switched from Gexa to another supplier at the expiration of the Term, Gexa shall serve Customer at the rate set forth in this Section for a minimum of 60 days. After those 60 days, Gexa may continue to serve Customer or terminate the Agreement and disconnect Customer.

1.5 Modifications to ESI IDs. Gexa shall work with Customer in good faith during the Term to reasonably accommodate and assist Customer with the management of its electricity needs. If at any time during the Term, Customer wants to i) add or delete one or more ESI IDs, ii) otherwise modify the ESI ID information as a result of a decision by Customer to open, close or sell a facility owned or leased by Customer, iii) expand an existing facility, or iv) increase an existing facility's metered load, then Customer shall provide written notice to Gexa of such change ("ESI ID Change Notice"). If such change to the ESI ID is expected to occur prior to the first month of any calendar year for which the Energy Price has been established as of the date of the ESI ID Change Notice, in accordance with Section 2.1 (a) of this Agreement, such notice shall include Customer's election of the "Special Load Threshold," as defined below, which will apply to such change in load. If, in Gexa's reasonable judgment, i) the addition is a separately metered load which does not exceed the applicable Special Load Threshold; or ii) does not result in a net increase in excess of the applicable Special Load Threshold for an existing facility, Gexa shall use commercially reasonable efforts to promptly implement such changes, including providing required notices to ERCOT. If the addition is a separately metered load which exceeds the applicable Special Load Threshold, or results in a net increase in excess of the applicable Special Load Threshold after consideration of any contemporaneous offsetting load decreases, Gexa shall provide service to that ESI ID and shall determine any incremental charge or credit to provide service to any changed ESI IDs. Gexa shall apply such charge or credit to the affected ESI IDs, after such charges have been reviewed by TCAP. "Special Load Threshold" shall mean additional peak demand that is reasonably expected during the first twelve months following commercial operations to exceed, at Customer's election, either (i) 0.25 MW at any time or an annual average load of 0.125 MW or (ii) 1.0 MW at any time or an annual average load of 0.5 MW. Gexa shall make periodic reports regarding changes to the billing status of any ESI ID(s) available to Customer and TCAP. Amendments that add or remove ESI ID(s) as a result of changes made pursuant to this section are incorporated into this Agreement, and are effective on the Effective Date for each ESI ID(s) added to this Agreement or the date that retail electric service for any removed ESI ID(s) ceases or is transferred to another REP.

SECTION 2: RETAIL ELECTRIC ENERGY SERVICE CHARGES

2.1 Energy Price.

(a) If Customer has elected to fix all or a portion of the Energy Price for a fixed term by providing an Authorized Election Form to TCAP in accordance with the PSA, the Energy Price shall equal the fixed price as determined by TCAP in accordance with the PSA, and the Authorized Election Form. Any portion of the Energy Price that is not fixed shall be noted in the Authorized Election Form, and shall be settled with Customer in accordance with Section 2.2 of this Agreement. If Customer has not made such an election, the Energy Price shall be determined in accordance with the PSA, as follows:

- (i) TCAP shall periodically solicit, or direct its designated Energy Manager to solicit, wholesale energy market quotes, and may direct the Energy Manager to transact at the lowest of the market quotes obtained for the purpose of serving customer's load, in accordance with the PSA (each such transacted quote, a "**Wholesale Transaction**").
- (ii) Once TCAP has directed its Energy Manager to enter into Wholesale Transactions sufficient to serve Customer's load for a given calendar year, Energy Manager and TCAP shall establish the Energy Price for that Calendar Year in accordance with those procedures outlined in the PSA, which Customer hereby acknowledges it has reviewed and accepted. TCAP shall set the Energy Price for a given Calendar Year no later than nine (9) months prior to the start of such Calendar Year. If Customer elects to participate in a project and executes the Project Addendum, the Energy Price shall include an estimate of the Project Settlement for each month of the Calendar Year in accordance with the Project Addendum.

(b) For the purposes of Section 3 the Energy Price shall be converted to dollars per kWh.

2.2 Energy Price Adjustments.

- (a) Energy Manager shall have the right to reconcile the revenues received from the Customer with Manager's Supplier Cost on (i) a quarterly basis, by determining the Quarterly Adjustment in the manner specified in the PSA and (ii) on an annual basis, by determining the Annual Adjustment in the manner specified in the PSA. The Quarterly Adjustment and Annual Adjustment may be either a charge or a credit, and shall be collected from or remitted to Customer, as appropriate, in the manner specified in the PSA.
- (b) TCAP and Energy Manager may mutually agree to fix certain component charges comprising Customer's Energy Price for a given Calendar Year, if TCAP determines that fixing these charges is likely to benefit Customer. Charges that are fixed by TCAP and Energy Manager for a given Calendar Year shall not be included in the calculation of either the Quarterly Adjustment or the Annual Adjustment for such Calendar Year, in accordance with the PSA.

2.3 Additional Pass-Through Charges. Gexa shall pass through and identify separately on Customer's bill with no mark-up Delivery Charges, Non-Recurring Charges, or Taxes that are not included in the Energy Price(s). All charges are exclusive of Taxes. Pass-Through charges may include charges related to amounts owed to Gexa and/or Wholesale Supplier in accordance with Section 1.3.

2.4 Tax Exempt Status. Customer shall provide Gexa with all required exemption certificates if Customer is exempt from paying any Taxes. Gexa shall not recognize an exemption without the exemption certificates and shall not be required to refund or credit previously paid Taxes unless the taxing entity sends the refund to Gexa. Gexa shall, however, assign to Customer any applicable claims for refund.

SECTION 3: BILLING AND PAYMENT

3.1 Billing and Payment. Gexa shall invoice Customer's accounts on a monthly basis and shall bill Customer on a consolidated basis for all ESI IDs upon Customer's request. Gexa shall provide a summary bill for all accounts and detailed information for each account. Customer shall remit payment within 30 days of receiving the invoice. Gexa shall base the invoice amount on actual data provided by ERCOT and the TDSP. If ERCOT or the TDSP does not provide actual data in a timely manner, Gexa shall use estimated data to calculate the invoice and, upon receipt of actual data, reconcile the charges and adjust them as needed in subsequent invoices.

3.2 Project Settlement Agent Services. Gexa shall remit the total Project Settlement to the Project on a monthly basis, in accordance with the REP Services Agreement.

3.3 Late Penalties, Interest on Overdue Payments, Invoice Disputes. If Customer fails to remit all undisputed amounts on or before the due date, interest will accrue on any due and unpaid amounts from the due date at a rate of one percent per month, or the highest rate permitted by law, whichever is less. If Customer disputes a portion of an invoice it shall provide Gexa a written explanation specifying the amount in dispute and the reason for the dispute within 20 days of the invoice date. If Customer does not provide timely notice, Customer shall owe all amounts by the due date. Notwithstanding the above, if Customer notifies Gexa of a disputed invoice, regardless of whether Customer has already paid the invoice, Gexa shall make records in its possession that are reasonably necessary for Customer to determine the accuracy of the invoice available to Customer during normal business hours; provided, however that neither party may request an adjustment or correction of an invoice unless written notice of such dispute is given within twelve months after the due date of such invoice; provided further, that such twelve month limit does not apply in the case of TDSP meter tampering charges first billed to Gexa that prevent Gexa from reasonably adjusting invoices prior to the twelve month period. In all cases, Gexa and Customer shall use good faith efforts to resolve disputes. In the event the Parties are unable to resolve a dispute within ten days of the notice date, either Party may begin legal proceedings to seek resolution. Any amounts determined owed shall be paid within three days after a decision.

3.4 Aggregator Fees. Pursuant to the REP Services Agreement between Gexa and TCAP, Gexa is obligated to pay TCAP an amount determined by multiplying a TCAP Aggregation Fee by the volume consumed in association with the ESI IDs (the "Aggregator Fee"). Customer shall pay the Aggregator Fee. The initial TCAP Aggregation Fee is \$0.001 per kWh, however, it may be changed by the TCAP Board of Directors at any time. Gexa shall state the Aggregator Fee as a separate line item on the Customer's bill.

3.5 Billing Guarantee. Gexa shall issue an invoice based on actual or estimated usage to Customer for every ESI ID at least one time per month. If, for reasons other than Force Majeure, Gexa fails to invoice an ESI ID within 120 days of any scheduled meter read, Gexa irrevocably waives its right to invoice Customer for any energy consumed at that ESI ID for the meter read cycle that should have been invoiced, unless not less than 10 days prior to the expiration of such 120 day period, Gexa provides Customer with a written explanation of the circumstances that prevent Gexa from issuing that invoice and the expected time by which an invoice can be issued. In such event, Customer and Gexa shall determine a reasonable extension period, not to exceed 30 days, within which an invoice will be issued. Gexa shall adjust or true-up each invoice no more than twice and Gexa shall issue such adjustments within 210 days of the initial issue date. Notwithstanding the foregoing, Gexa may issue an invoice or partial invoice arising from meter tampering charges without limitation and within a reasonable time after first billed to Gexa by the TDSP.

SECTION 4: CUSTOMER INFORMATION, CREDIT AND DEPOSITS

4.1 Customer Information. By entering into this Agreement and appointing Gexa as Customer's agent for electricity service, Customer authorizes Gexa to obtain certain information that Gexa may need to provide Customer's

electric service, including Customer's address, telephone number, account numbers, historical usage information, historical payment information from Customer's TDSP, and Customer further authorizes its TDSP to release that information to Gexa.

7.V.c

4.2 Deposits and Other Security. A Party (the "**Requesting Party**") may require the other Party (the "**Providing Party**") to provide a deposit (or additional deposit if an initial deposit was also required), letter of credit, or other form of credit assurance reasonably acceptable to the Requesting Party (collectively, "**Performance Assurance**") during the Term of this Agreement if: (i) the Requesting Party determines in its reasonable discretion that there has been a material adverse change in the Providing Party's or its guarantor's (if applicable) credit status or financial condition (which, if applicable, will mean that its credit or bond rating has dropped lower than BBB- by Standard & Poor's Rating Group or Baa3 by Moody's Investor Services or ceases to be rated by either of these agencies); or (ii) Customer has been delinquent in paying the electric bill by more than seven days more than twice during the past twelve months. Any Performance Assurance, less any outstanding balance owed by Providing Party to the Requesting Party, will be returned to the Providing Party once the Providing Party's or its guarantor's (if applicable) credit or financial condition becomes satisfactory or, if applicable, to a credit or bond rating of BBB- or Baa3 or higher, whichever occurs earlier; or, if the Performance Assurance relates to delinquent payments, the Providing Party has paid all outstanding balances and has made all payments within the dates set forth in this Agreement for a period of six consecutive months.

SECTION 5: EARLY TERMINATION; DAMAGES

5.1 Cancellation by Customer for Insufficient Appropriations. If, during Customer's annual appropriations determination, the applicable governmental authorities do not allocate sufficient funds to allow Customer to continue to perform its obligations under this Agreement (an "**Appropriations Failure**"), then Customer or Gexa shall have the right to terminate this Agreement in full or as to any affected ESI ID upon 30 days advance written notice effective at the end of the period for which appropriations are made; provided, that if appropriations are subsequently allocated for electricity for the ESI IDs covered by this Agreement, then the termination may be revoked at Gexa's option and those appropriations shall continue to apply to this Agreement and shall not be used for an electricity supply agreement with another REP. Upon a termination of this Agreement for Appropriations Failure, in full or as to any ESI ID(s), Customer shall pay all amounts due Gexa under this Agreement, including the Customer Early Termination Damages.

5.2 Customer Early Termination Damages. Except in connection with the closure of a facility associated with an ESI ID pursuant to Section 1.4, in connection with a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Customer cancels this Agreement before the end of the Term and refuses to accept electric supply delivery from Gexa for any ESI ID(s), Gexa may charge Customer early termination damages equal to the sum of (a) the Retail Termination Payment, (b) the QSE Services Termination Payment, (c) the Quarterly and Annual Adjustment Payment, and (d) the Wholesale Transaction Termination Payment, as each of these terms are defined below (the sum total of these, the "**Customer Early Termination Damages**"). The "**Retail Termination Payment**" shall equal the product of (a) the Expected Usage for each ESI ID subject to Customer's cancellation or refusal of electric supply delivery ("**Customer Terminated Usage**") multiplied by (b) the sum of (i) the Aggregator Fee and (ii) the REP Services Fee specified in the REP Services Agreement. The "**QSE Services Termination Payment**" shall equal the product of (a) the Customer Terminated Usage grossed up for losses multiplied by (b) the QSE Services Fee, as defined in the PSA. The "**Quarterly and Annual Adjustment Payment**" shall be calculated by the Energy Manager in accordance with the PSA, and shall include any Quarterly and Annual Adjustment amounts for electricity provided to the Customer under this Agreement prior to the termination of this Agreement, which have not yet been charged or credited to Customer, as appropriate. For avoidance of doubt, the Quarterly and Annual Adjustment Payment may be either a charge or a credit to Customer, as calculated in accordance with the PSA. If the Customer Early Termination Damages are charged due to an Event of Default by Customer, then the Customer Early Termination Damages will also include Gexa's reasonable costs relating to the determination and collection of Customer Early Termination Damages, including attorney and consultant fees incurred. The provisions in Section 3 related to Billing and Payment apply to the billing, due date, and collection of Customer Early Termination Damages. Customer agrees that Customer Early Termination Damages are a reasonable estimate of the damages due Gexa for failure to accept electric supply, and are not punitive in nature.

5.3 Termination for Wholesale Supply Failure. If, during the Term, the Wholesale Transactions are terminated as a result of a default by the Energy Manager ("**Wholesale Supply Failure**"), then this Agreement will also terminate effective on the date the Wholesale Agreement terminates. In the event of a termination for Wholesale Supply Failure, Gexa shall pay Customer a Wholesale Termination Payment if required by Section 5.5.

5.4 Gexa Early Termination Damages. Except for a Wholesale Supply Failure, a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Gexa cancels this Agreement and refuses to provide electric supply delivery to Customer for any or all ESI ID(s), Customer shall have the right to charge Gexa an early termination penalty equal to the amount determined as follows: the product of (i) the Expected Usage for each ESI ID subject to Gexa's cancellation or refusal of electric supply delivery ("**Gexa Terminated Usage**") multiplied by (ii) the REP Services Fee specified in the REP Services Agreement (that result the "**Gexa Early Termination Damages**"). If the Gexa Early Termination Damages are charged due to an Event of Default by Gexa, then the Gexa Early Termination Damages will also include Customer's reasonable costs relating to the determination and collection of Gexa Early Termination

Attachment: Exhibit B CESA (TCAP Agreement)

Damages, including attorney and consultant fees incurred. Gexa agrees the Gexa Early Termination Damages are a reasonable estimate of the damages due Customer for failure to deliver electric supply, and are not punitive in nature.

5.5 Wholesale Transaction Termination Payment. If the Wholesale Transactions are terminated then Gexa shall calculate the portion of the termination payment paid under each Wholesale Transaction attributable to Customer's load. The termination payment under each Wholesale Transaction shall be calculated by subtracting the Wholesale Supplier's actual cost for the portion of the Wholesale Transaction still outstanding for the remainder of the Term from the current market value of comparable electric energy futures contracts. Energy Manager, in its sole discretion, shall determine the current market value of a comparable electricity futures contract within three (3) business days of the termination of a Wholesale Transaction, and shall be either (i) the value of the Wholesale Transaction actually sold to a third-party market participant or (ii) a third-party market quote for a comparable electricity energy future contracts. Energy Manager shall sum Customer's prorata share of each termination payment for each Wholesale Transaction attributable to Customer's Load to determine a total Wholesale Transaction Termination Payment under this Agreement (the "**Wholesale Transaction Termination Payment**"). Customer or Gexa shall pay the Wholesale Transaction Termination Payment to the other, as appropriate, in the manner described below and without regard to who is a defaulting party. If the Wholesale Transaction Termination Payment is negative, Customer shall pay Gexa the Wholesale Transaction Termination Payment. If the Wholesale Transaction Termination Payment is positive, Gexa shall pay Customer the Wholesale Transaction Termination Payment. To the extent a termination payment due from Gexa to the Energy Manager is adjusted in Gexa's account to reflect the full benefit of TCAP transacting with a replacement REP, Gexa shall make corresponding adjustments to the Wholesale Transaction Termination Payment on a pro-rata basis. Gexa shall remit a Wholesale Transaction Termination Payment due Customer, within 30 days of Gexa receiving the payment from the Energy Manager. Customer shall remit a Wholesale Transaction Termination Payment due Gexa within 30 days of Gexa's invoice. Gexa shall use commercially reasonable efforts to collect Termination Payments from the Energy Manager that include amounts due Customer.

SECTION 6: NOTICES AND PAYMENT

6.1 General Notice. Except as otherwise required by Applicable Law, all notices are deemed duly delivered if hand delivered or sent by United States, prepaid first class mail, facsimile, or by overnight delivery service. Notice by facsimile or hand delivery is effective on the day actually received, notice by overnight United States mail or courier is effective on the next business day after it is sent, and notice by U.S. Mail is effective on the second day after it is sent. The Parties shall send notices to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**City of Celina
142 N. Ohio
Celina, TX 75009
contracts@celina-tx.gov**

- b. If to Gexa:
Gexa Energy, LP
20455 State Highway 249, Suite 200
Houston, Texas 77070

6.2 Payments. The Parties shall send payments to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**City of Celina
Attn: Finance
142 N. Ohio
Celina, TX 75009**

- b. If to Gexa:
Gexa Energy, LP
20455 State Highway 249, Suite 200
Houston, Texas 77070

SECTION 7: DEFINITIONS

7.1 Definitions. In addition to terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in this Section 7.1. All other capitalized terms not otherwise defined shall have the meanings given them in the following documents, with any conflicting definitions contained in those documents applied in the following order: PURA, the PUCT Substantive Rules, and the ERCOT Protocols.

1. **“Actual Usage”** means the actual amount of electric energy (in kWh) used at the ESI ID(s) as determined by the TDSP.
2. **“Delivery Charges”** means those charges or credits from the TDSP pursuant to its tariff, including, but not limited to: Transmission and Distribution Charges, System Benefit Fund Charge, Nuclear Decommissioning Charge, Competitive Transition Charge, Standard Customer Metering Charge, Customer Charge, Merger Savings and Rate Reduction Credit, Excess Mitigation Credit and Utility Imposed Reactive Power Charges.
3. **“EEI Master Agreement”** mean an EEI Master Agreement between Gexa and the Energy Manager governing the Wholesale Transactions entered into by the Energy Manager in accordance with Section 2.1 and transferred by the Energy Manager to Gexa.
4. **“Effective Date”** means the date of the first meter reading of an ESI ID provided to Gexa by the TDSP after the TDSP and ERCOT shall have timely performed any required enrollment and cancellation procedures necessary to switch Customer’s REP to such ESI ID to Gexa.
5. **“Electricity Related Charges”** means, unless noted otherwise: Ancillary Services Charge, Congestion, ERCOT Administrative Fee, Delivery Loss Charge, Transmission Loss Charge, Renewable Energy Credit Charge, Residential Energy Credit Charge, Unaccounted For Energy Charge, Qualified Scheduling Entity Charge, Imbalance Settlement Charge.
6. **“Energy Manager”** means the wholesale market participant designated by TCAP to perform the services described in the PSA.
7. **“Energy Price(s)”** means the rates per unit of measure specified in Section 2.1 and includes all Electricity Related Charges.
8. **“ERCOT”** means the Electric Reliability Council of Texas.
9. **“ERCOT Protocols”** means the document adopted, published, and amended from time to time by ERCOT, and initially approved by the PUCT, to govern electric transactions in the ERCOT Region, including any attachments or exhibits referenced in the document, that contains the scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, or any successor document thereto.
10. **“ESI ID(s)”** means the Electric Service Identifiers for the property service addresses identified on Attachment B to this Agreement or if Customer is an existing Gexa customer then the list of service addresses currently served by Gexa, as such list may be modified from time to time as provided in Section 1.4.
11. **“Expected Usage”** means either the amount stated in Attachment B calculated for the remaining Term, or if no amounts are stated or Customer is an existing Gexa customer then the average actual monthly Customer energy usage from the comparable month from the previous year (or if an average cannot be computed due to limited service by Gexa or other circumstances, an average monthly usage as is reasonably determined by Gexa) times the number of months remaining in the Term as outlined in Section 1.4.
12. **“kWh”** means kilowatt hour.
13. **“LMP” or “Locational Marginal Price”** means the price calculated for the applicable trading hub pursuant to the ERCOT Protocols.
14. **“Market Rate”** means 135% of the load-weighted average of the hourly LMPs at the corresponding load zone, as determined for any delivery period.
15. **“Nodal Market”** means the implementation of wholesale market design by ERCOT with locational marginal pricing for resources.
16. **“Nodal Congestion”** means the positive difference in price between the real-time settlement point price as determined by ERCOT for the trading hub and the real-time settlement point price as determined by ERCOT for the load zone associated with the customer Facilities.
17. **“Non-Recurring Charges”** means any charges imposed by the TDSP or other third parties on a non-recurring basis for services, repairs or additional equipment needed for Customer’s electric service.
18. **“PUCT”** means Public Utility Commission of Texas.

19. **“Project Settlement Payment”** means the Project Settlement Payment as defined in the Project Addendum attached as Schedule I to this Agreement.

20. **“QSE Services Fee”** means the fee owed from Customer to Gexa, and remitted from Gexa to Energy Manager, for QSE Services performed by Energy Manager for the Term, as mutually agreed between TCAP and Energy Manager, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The QSE Services Fee shall be included in the Energy Price for the Term.

21. **“REP Services Agreement”** means the REP Services Agreement currently in effect during the Term, as amended from time to time, between Gexa and TCAP.

22. **“REP Services Fee”** means the fee owed from Customer to Gexa, for REP services rendered during the Term, as mutually agreed between TCAP and Gexa, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The REP Services Fee shall be included in the Energy Price for the Term.

23. **“Taxes”** means all taxes, assessments, levies, duties, charges, fees and withholdings of any kind levied by a duly-constituted taxing authority and all penalties, fines, and additions to tax, and interest thereon that are directly related to the services provided under this Agreement, but does not include the System Benefit Fund fee and fees and charges imposed by ERCOT. By way of example only, Taxes includes: Sales Tax, Miscellaneous Gross Receipts Tax, PUCT Assessment Fees and Franchise Fees.

24. **“TCAP”** means Texas Coalition for Affordable Power, an aggregation pool of governmental and other entities organized and administered by TCAP of which Customer is a member for the ESI IDs.

25. **“TDSP”** or **“Transmission and Distribution Service Provider”** means an entity regulated by the State of Texas, which transmits or distributes electric energy.

“

Attachments:

Attachment A

Attachment B (for new TCAP Customers only)

Terms and Conditions of Service

Offer Sheet (ESI ID list and Expected Start Date)

CUSTOMER (type Customer name in field below): City of Celina	GEXA: Gexa Energy, LP, By its General Partner Gexa Energy GP, LLC
By:	By:
Printed:	Printed:
Title:	Title:
Date:	Date:

Attachment: Exhibit B CESA (TCAP Agreement)

Terms and Conditions of Service Attachment A

These Terms and Conditions of Service form an integral part of the Commercial Electricity Service Agreement between Customer and Gexa. In addition to the terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in Section 7.1 of this Agreement. Customer should thoroughly review the entire Agreement, including these Terms and Conditions of Service, before executing this Agreement.

A. REPRESENTATIONS AND WARRANTIES

A.1 Customer's Representations and Warranties. As a material inducement to entering into this Agreement, Customer represents and warrants to Gexa as follows: (a) it is a duly organized entity and is in good standing under the laws of Texas; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of contracts it is party to or laws applicable to it; (c) performance of this Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Customer will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of contracts it is party to or laws applicable to it; (e) this Agreement is a legal, valid, and binding obligation of Customer enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending; (f) there are no bankruptcy, insolvency, reorganization, receivership, or other similar proceedings pending or being contemplated by it, or to its knowledge threatened against it; (g) there are no suits, proceedings, judgments, rulings, or orders by or before any court or any government authority that could materially adversely affect its ability to perform the Agreement; and (h) as of the Effective Date and throughout the Term, there is no other contract for the purchase of electricity by Customer for the ESI ID(s), or, if such a contract presently exists, that it will terminate prior to delivery under this Agreement.

A.2 Gexa's Representations and Warranties. As a material inducement to entering into this Agreement, Gexa represents and warrants to Customer as follows: (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform the Agreement; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of its governing documents or contracts it is party to or any laws applicable to it; (c) performance of the Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of its governing documents or contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Gexa will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of its governing documents, contracts it is party to, or laws applicable to it; and (e) the Agreement constitutes a legal, valid, and binding obligation of Gexa enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending.

A.3 Forward Contract. (i) This Agreement constitutes a forward contract within the meaning of the United States Bankruptcy Code ("Code"); (ii) Gexa is a forward contract merchant; and (iii) either Party is entitled to the rights under, and protections afforded by, the Code.

B. DISCLAIMERS OF WARRANTIES; LIMITATION OF LIABILITIES

B.1 LIMITATIONS OF LIABILITY. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR AS OTHERWISE PROVIDED, ARE LIMITED TO DIRECT ACTUAL DAMAGES. GEXA IS NOT LIABLE TO CUSTOMER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOSS OF REVENUES OR PROFIT. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. EXCEPT FOR (a) THE GEXA EARLY TERMINATION DAMAGES DUE IF GEXA DEFAULTS, (b) THE CUSTOMER EARLY TERMINATION DAMAGES DUE IF CUSTOMER DEFAULTS, AND (c) THE WHOLESALE TRANSACTION TERMINATION PAYMENT, THE LIABILITY OF EITHER PARTY TO THE OTHER FOR ANY OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF ALL DOLLARS PAID BY CUSTOMER TO GEXA (IF CUSTOMER) OR RECEIVED BY GEXA (IF GEXA) PURSUANT TO THIS AGREEMENT. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.

B.2 Duty to Mitigate. Each Party shall mitigate damages and use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance.

B.3 WAIVER OF CUSTOMER PROTECTION RULES AND CONSUMER RIGHTS. THE PARTIES FURTHER ACKNOWLEDGE THAT THE CUSTOMER PROTECTION RULES ADOPTED BY THE PUBLIC UTILITY COMMISSION (AS CONTAINED IN ITS SUBSTANTIVE RULES 25.471 ET SEQ.) ("**CUSTOMER PROTECTION RULES**") THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES DO NOT APPLY TO THIS AGREEMENT. EXCEPT AS SET FORTH IN THIS SECTION, CUSTOMER EXPRESSLY WAIVES THE CUSTOMER PROTECTION RULES THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW. CUSTOMER FURTHER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES--CONSUMER PROTECTION ACT, SECTION 17.41, ET. SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS

SPECIAL RIGHTS AND PROTECTIONS. CUSTOMER REPRESENTS AND WARRANTS TO GEXA THAT: (a) CUSTOMER IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION IN RELATION TO GEXA; (b) CUSTOMER IS REPRESENTED BY LEGAL COUNSEL THAT WAS NEITHER DIRECTLY NOR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY GEXA; AND (c) CUSTOMER VOLUNTARILY CONSENTS TO THIS WAIVER AFTER CONSULTATION WITH ITS LEGAL COUNSEL.

B.4 UCC/Disclaimer of Warranties. The electricity delivered is a “good” as that term is understood in the Texas B&CC (UCC §2.105). The Parties waive the UCC to the fullest extent allowed by law and the UCC requirements do not apply to this Agreement, unless otherwise provided. If there is a conflict between the UCC and this Agreement, this Agreement controls. Neither Party controls nor physically takes possession of the electric energy prior to delivery to Customer’s ESI ID(s). Therefore, neither Party is responsible to the other for any damages associated with failure to deliver the electric energy, nor for damages it may cause prior to delivery to Customer’s ESI ID(s). Once the electric energy is delivered to Customer’s ESI ID(s) it is deemed in possession and control of Customer. ELECTRICITY SOLD UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. GEXA MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND GEXA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. GEXA EXPRESSLY NEGATES ALL OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OF WARRANTY WITH RESPECT TO CONFORMITY, TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

B.5 Force Majeure. Gexa shall make commercially reasonable efforts to provide electric service, but does not guarantee a continuous supply of electricity. Gexa does not generate electricity nor does it transmit or distribute electricity. Causes and events out of the control of Gexa and Customer (“**Force Majeure Event(s)**”) may result in interruptions in service or the ability to accept electricity. If either Party is unable to perform its obligations, in whole or in part, due to a Force Majeure Event, then the obligations of the affected Party (other than the obligation to pay any amounts owed to Gexa that relate to periods prior to the Force Majeure Event) are suspended to the extent made necessary by such Force Majeure Event. Therefore, neither Party is liable to the other Party for damages caused by Force Majeure Events, including acts of God, acts of, or the failure to act by, any governmental authority (including the PUCT or ERCOT and specifically including failure by ERCOT to make Customer meter read data available), accidents, strikes, labor troubles, required maintenance work, events of “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff, inability to access the local distribution utility system, non-performance by the supplier or the local distribution utility, changes in laws, rules, or regulations of any governmental authority (including the PUCT or ERCOT) that would prevent the physical delivery of energy to Customer’s facilities, or any cause beyond such Party’s control. The Parties agree that Appropriations Failures and Scheduling Failures are not Force Majeure Events.

C. CONFIDENTIALITY AGREEMENT

C.1 Confidentiality. Customer is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If Customer receives a valid request under applicable public information laws for information related to this Agreement, it shall provide Gexa notice of the request including a description the information sought prior to Customer’s release of information so that Gexa has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “**Receiving Party**”) shall keep confidential and not disclose any to third parties Confidential Information which is disclosed to the Receiving Party by the other Party (that party, the “**Disclosing Party**”) except for disclosures to Authorized Parties or as required by law. “**Confidential Information**” means information in written or other tangible form which is marked as “Confidential” when it is disclosed to the Receiving Party, except that Confidential Information shall not include information which (i) is available to the public, (ii) becomes available to the public other than as a result of a breach by the Receiving Party of its obligations hereunder, (iii) was known to the Receiving Party prior to its disclosure by the Disclosing Party, or (iv) becomes known to the Receiving Party thereafter other than by disclosure by the Disclosing Party. The provisions of this Section apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this Agreement for a period of two (2) years. Customer authorizes Gexa to provide TCAP with all information requested by TCAP about Customer’s account and billings. “**Authorized Parties**” means those officers, directors, employees, agents, representatives and professional consultants of the Parties, and of the Parties’ affiliates, that have a need to know the Confidential Information for the purpose of evaluating and performing this Agreement.

D. DEFAULT AND REMEDIES

D.1 Events of Default. An event of default (“**Event of Default**”) means: (a) the failure of Customer to make, when due, any payment required under this Agreement for any undisputed amount if that payment is not made within fifteen (15) business days after receipt of written notice (facsimile or electronic mail are valid forms of notice for this paragraph) from Gexa; or (b) any representation or warranty made by a Party proves to be false or misleading in any material respect; (c) except as provided in clause (a) above or otherwise in this section D.1, the failure of any Party to perform its obligations under this Agreement and that failure is not excused by Force Majeure and remains uncured following 20 business days written notice of the failure; (d) the defaulting Party (i) makes an assignment or any general arrangement for the benefit of creditors; or (ii) files a petition or otherwise commences, authorizes or acquiesces to a bankruptcy proceeding or similar proceeding for the protection of creditors, or has such a petition filed against it and that petition is not withdrawn or dismissed within 20 business days after filing; or (iii) otherwise becomes insolvent; or (iv) is unable to pay its debts when due; or (v) fails to establish, maintain or extend Credit in form and in an amount acceptable to Gexa when required; or (e) the Wholesale Transaction is terminated due to a default by Gexa under CESAs with other TCAP members or due to a default by the Energy Manager under the

Wholesale Transaction. If an Event of Default listed in subsection (d) of this Section occurs, it is deemed to have automatically occurred prior to such event.

D.2 Remedies upon an Event of Default. If an Event of Default occurs and is continuing, upon written notice to the defaulting Party, the non-defaulting Party may (a) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations in accordance with the Agreement; (b) exercise any other rights and remedies it has at equity or at law, subject to the Agreement's Limitations of Liabilities; and/or (c) suspend performance; provided, however, that suspension shall not continue for longer than ten (10) Business Days unless the non-defaulting Party has declared an early termination with proper notice. If Customer is responsible for an Event of Default and fails to cure within ten (10) days of written notice (such additional cure period does not apply to default for non-payment), in addition to its other remedies, Gexa may (i) terminate this Agreement; and (ii) charge Customer the Customer Early Termination Penalty pursuant to Section 5 of this Agreement. Notwithstanding the above, Gexa shall not disconnect or order disconnection of service to Customer unless the following events have all occurred: (1) Customer has an Event of Default for nonpayment under Section D.1(a) above, (2) Gexa gives Customer a ten (10) day written disconnection notice; and (3) Customer does not pay all undisputed outstanding payments owed by the end of the ten (10) day notice period. .

E. MISCELLANEOUS PROVISIONS

E.1 Disclaimer. This Agreement does not constitute, create, or otherwise recognize the existence of a joint venture, association, partnership, or other formal business entity of any kind among the Parties and the rights and obligations of the Parties are limited to those set forth in this Agreement.

E.2 Headings. The descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only and are not intended to affect the meaning, interpretation or construction of this Agreement.

E.3 Waiver. Except as otherwise provided, failure of a Party to comply with an obligation, covenant, agreement, or condition may be waived by the other Party only in a writing signed by the Party granting the waiver, but that waiver does not constitute a waiver of, or estoppel with respect to a subsequent failure of the first Party to comply with that obligation, covenant, agreement, or condition.

E.4 Assignment. Except as provided in the REP Services Agreement, Customer shall not assign this Agreement, in whole or in part, or any of its rights or obligations pursuant to the Agreement without Gexa's prior written consent, which shall not be unreasonably withheld. Gexa may withhold consent if a proposed assignee fails to be at least as creditworthy as Customer as of the Effective Date. Gexa may: (a) transfer, sell, pledge, encumber or assign the revenues or proceeds of this Agreement in connection with any financing or other financial arrangement; (b) transfer or assign this Agreement to a Gexa affiliate with operating capability and financial condition substantially similar to Gexa; (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Gexa with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement; and/or (d) transfer or assign this Agreement to a certified REP with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement. In the case of (b), (c), or (d), any such assignee shall agree in writing to be bound by these Terms and Conditions of Service, and upon assignment, Gexa shall have no further obligations under this Agreement. Gexa shall not assign the Agreement to a non-affiliated entity (including its guarantor) that has a credit rating lower than BBB- without the prior written consent of TCAP, which shall not be unreasonably withheld.

E.5 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies on any person or party other than the Parties, their successors and permitted assigns; except that the Parties recognize that TCAP is entitled to receive the Aggregator Fee .

E.6 Severability. If a provision of this Agreement is held to be unenforceable or invalid by a court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions are unaffected by that holding, and the Parties shall, to the extent possible, negotiate an equitable adjustment to the provisions of this Agreement in order to preserve the original intent and purpose of this Agreement.

E.7 Entire Agreement; Amendments. This Agreement constitutes the entire understanding between the Parties, and supersedes any and all previous understandings, oral or written, with respect to the subjects it covers. This Agreement may be amended only upon the mutually signed, written agreement of the Parties.

E.8 Further Assurances. The Parties shall promptly execute and deliver, at the expense of the Party requesting such action, any and all other and further instruments and documents which are reasonably requested in order to effectuate the transactions contemplated in this Agreement.

E.9 Emergency, Outage and Wire Service. In the event of an emergency, outage or service need, Customer shall call the TDSP for the service area of the ESI ID experiencing the emergency, outage or service need.

E.10 Customer Care. Customer may contact Gexa Customer Care if Customer has specific comments, questions, disputes, or complaints toll free at 1-866-961-9399, Monday to Friday 7:00 a.m. – 8:00 p.m. CST and Saturday from 8:00 a.m. – 2:00 p.m.. Gexa shall assist and cooperate with Customer regarding communications with a TDSP relating to service to any ESI ID served by Gexa under this Agreement.

E.11 Governing Law.

a. This Agreement is governed by and construed and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas, without regard to the State of Texas conflict of laws provisions.

b. All disputes between the Parties under this Agreement which are not otherwise settled will be decided by a court of competent jurisdiction in Harris County, Texas, and the Parties submit to the jurisdiction of the courts of the State of Texas and the Federal District Courts in Houston, Harris County, Texas. All disputes are governed under the laws of the State of Texas.

c. Subject to the provisions of E.11.a. above, this Agreement is subject to, and in the performance of their respective obligations under this Agreement the Parties shall comply with, all applicable federal, state and local laws, regulations and requirements (including the rules, regulations and requirements of quasigovernmental and regulatory authorities with jurisdiction over the Parties, including ERCOT) (collectively, "Applicable Law").

E.12 No Presumption Against Drafting. Both Parties contributed to the drafting of this Agreement. The rule of construction that any ambiguity is construed against the party who drafted this Agreement does not apply to this Agreement.

E.13 Counterparts; Facsimile Copies. This Agreement may be executed in counterparts, all of which constitute one and the same Agreement and each is deemed an original. A facsimile copy of either Party's signature is considered an original for all purposes, and each Party shall provide its original signature upon request.

E.15 Offer for Electric Service; Refusal of Service. This Agreement, including these Terms and Conditions of Service, constitute an offer for electric service, and is expressly conditioned on acceptance of this Agreement by Gexa. Gexa may refuse to provide electric service to Customer subject to the requirements of Applicable Law.



Life Connected.

Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Drew Jenks, Assistant
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Atmos Negotiated Rate Settlement

Action Requested:

Consider and act upon a resolution of the City Council of the City of Celina, Texas approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex division regarding the company’s 2020 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the company to reimburse ACSC’s reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC’s legal counsel. (Atmos negotiated rate settlement) (Jenks)

Background Information:

Celina, served by Atmos Energy Corporation, Mid-Tex Division is a member of the Atmos Cities Steering Committee (ACSC).

The Gas Reliability Infrastructure Program (GRIP) legislation allowed gas utility companies to create annual rate increases associated with capital investments. ACSC strongly opposed the GRIP process because it unfairly raised customers’ rates without any regulatory oversight.

Atmos and ACSC worked collaboratively to develop a new method to designate annual rates. The Rate Review Mechanism (RRM) allows for greater input from ACSC cities in the ratemaking processes.

The ACSC Executive Committee approved the settlement and recommends ACSC Cities adopt the ACSC approved ordinance.

New rates become effective December 1, 2020.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

After review, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$90 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2020 under the GRIP legislation.

ACSC's consultants produced a report indicating that Settlement at \$90 million (equivalent to \$81 million with a two-month delay) is fair and reasonable.

The impact of the settlement on average residential rates is an increase of \$5.15 on a monthly basis, or 9.9 percent.

The increase for average commercial usage will be \$15.48 or 6.56 percent

Legal Review:

The City Attorney has reviewed this item.

Supporting Documents:

Bill Impact Comparison

Tariffs Exhibit

Proposed Resolution

Staff Recommendation:

Staff recommends approval.

**Attachment 1 to
Model Staff Report**

2020 RRM

Proof of Revenues

Attachment: 2020 Atmos Mid-Tex RRM Model Staff Report Attachments (Atmos Negotiated Rate Settlement)

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2019

Line No.	Customer Class	Current	Proposed	Bills	Ccf/MmBtu	Current Revenues	Proposed Revenues	Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Residential							
2	Customer Charge	\$ 19.55	\$ 20.25	13,644,834		\$ 266,756,505	\$ 276,307,889	
3	Consumption Charge	0.17423	0.26651		608,491,998	106,017,561	162,169,202	
4	Revenue Related Taxes					26,692,882	31,397,617	
5	Total Class Revenue					\$ 399,466,948	\$ 469,874,708	\$ 70,407,760
6								
7	Commercial							
8	Customer Charge	\$ 46.50	\$ 54.50	1,115,081		\$ 51,851,267	\$ 60,771,915	
9	Consumption Charge	0.09924	0.11728		398,510,866	39,548,218	46,737,354	
10	Revenue Related Taxes					6,544,757	7,698,315	
11	Total Class Revenue					\$ 97,944,242	\$ 115,207,584	\$ 17,263,342
12								
13	Industrial & Transportation							
14	Customer Charge	\$ 845.50	\$ 1,014.50	7,272		\$ 6,148,476	\$ 7,377,444	
15	Consumption Charge Tier 1	\$ 0.3572	\$ 0.4157		7,769,155	2,775,142	3,229,638	
16	Consumption Charge Tier 2	\$ 0.2616	\$ 0.3044		8,666,094	2,267,050	2,637,959	
17	Consumption Charge Tier 3	\$ 0.0561	\$ 0.0653		13,696,172	768,355	894,360	
18	Revenue Related Taxes					856,339	1,012,467	
19	Total Class Revenue					\$ 12,815,362	\$ 15,151,868	\$ 2,336,505
20								
21	Total Excluding Other Revenue					\$ 510,226,552	\$ 600,234,159	\$ 90,007,608
22								
23								
24	Revenue Related Tax Factor	7.1606%						

**Attachment 2
to 2020 RRM Staff Report**

Bill Impact

Packet Pg. 492

[illegible]

Packet Pg. 493

**Attachment 3
to 2020 RRM Staff Report**

RRM Monthly Savings Over GRIP and DARR Rates

**ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE RATE COMPARISON
TEST YEAR ENDING DECEMBER 31, 2019**

	ACSC Settled	DARR Filing	ATM Filing	Environs Filing
Cust Charge	\$20.25	\$23.75	\$26.40	\$24.60
Monthly Ccf	44.5	44.5	44.5	44.5
Cons Charge	\$0.26651	\$0.19336	\$0.14846	\$0.18653
Average Mo Bill	\$32.11	\$32.35	\$33.01	\$32.90
		-\$0.24	-\$0.90	-\$0.79

**Exhibit A
to 2020 RRM Resolution or Ordinance**

**Mid-Tex Tariffs
Effective December 1, 2020**

Attachment: 2020 Atmos Mid-Tex RRM Settlement Resolution Attachments (Atmos Negotiated Rate Settlement)

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 20.25 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.30 per month
Commodity Charge – All <u>Ccf</u>	\$0.26651 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 54.50 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 54.52 per month
Commodity Charge – All Ccf	\$ 0.11728 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION****RRC Tariff No:**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.73	0.1545	94.79	0.7284
Austin	9.53	0.1489	211.76	0.9405
Dallas	15.77	0.1792	199.74	0.9385
Waco	9.99	0.1341	145.27	0.7110
Wichita Falls	11.61	0.1402	120.34	0.5747

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**Exhibit B
to 2020 RRM Resolution or Ordinance**

**Mid-Tex
2020 Benchmark for Pensions
and Retiree Benefits**

TEST YEAR ENDING DECEMBER 31, 2019

18 Notes:

19 1. Studies not applicable to Mid-Tex or Shared Services are omitted.

20 2. Mid-Tex is proposing that the Fiscal Year 2020 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the

21 benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods

22 includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAMI.

23 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

**Exhibit C
to 2020 RRM Resolution or Ordinance**

**Mid-Tex 2020 Schedule for
Amortization for Regulatory Liability**

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2019
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Corrected Balance for December 31, 2017 (3)
	(a)	(b)	(c)	(d)	(e)
1	2017		\$ -	\$ 292,268,881	\$ 292,268,881
2	2018	292,268,881	12,075,562	280,193,319	
3	2019	280,193,319	12,085,165	268,108,155	
4	2020	268,108,155	11,171,173	256,936,982	
5	2021	256,936,982	11,171,173	245,765,809	
6	2022	245,765,809	11,171,173	234,594,635	
7	2023	234,594,635	11,171,173	223,423,462	
8	2024	223,423,462	11,171,173	212,252,289	
9	2025	212,252,289	11,171,173	201,081,116	
10	2026	201,081,116	11,171,173	189,909,943	
11	2027	189,909,943	11,171,173	178,738,770	
12	2028	178,738,770	11,171,173	167,567,597	
13	2029	167,567,597	11,171,173	156,396,424	
14	2030	156,396,424	11,171,173	145,225,251	
15	2031	145,225,251	11,171,173	134,054,077	
16	2032	134,054,077	11,171,173	122,882,904	
17	2033	122,882,904	11,171,173	111,711,731	
18	2034	111,711,731	11,171,173	100,540,558	
19	2035	100,540,558	11,171,173	89,369,385	
20	2036	89,369,385	11,171,173	78,198,212	
21	2037	78,198,212	11,171,173	67,027,039	
22	2038	67,027,039	11,171,173	55,855,866	
23	2039	55,855,866	11,171,173	44,684,692	
24	2040	44,684,692	11,171,173	33,513,519	
25	2041	33,513,519	11,171,173	22,342,346	
26	2042	22,342,346	11,171,173	11,171,173	
27	2043	11,171,173	11,171,173	(0)	
28					
29	Revenue Related Tax Factor		7.16%	See WP_F-5.1	
	Revenue Related Taxes on Annual			Amortization * Tax	
30	Amortization		\$ 799,924	Factor	
31	Amortization Including Revenue		<u>\$ 11,971,097</u>	Amortization + Taxes	
32					
33	Notes:				
34	1. The annual amortization of a 26 year recovery period is based on the				
35	Reverse South Georgia Method.				
36	2. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909.				
37	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.				

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of _____, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a

RESOLUTION NO. _____

substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about March 31, 2020, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2019; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2020 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$90 million applicable to ACSC Cities with an Effective Date of December 1, 2020; and

WHEREAS, ACSC agrees that Atmos plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$9 million off new rates imposed by the attached tariffs (Exhibit A), the impact on ratepayers should approximate the reasonable value of the rate filing found by the ACSC Consultants’ Report, which was \$81 million; and

WHEREAS, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

RESOLUTION NO. _____

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (Exhibit C); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$90 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2020 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$90 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

RESOLUTION NO. _____

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 6. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

Section 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2020 RRM filing.

Section 8. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 9. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 11. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2020.

Section 12. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General

RESOLUTION NO. _____

Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue,
Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____, 2020.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

2557/32/8108360

Attachment: 2020 Atmos Mid-Tex RRM Settlement Resolution (Atmos Negotiated Rate Settlement)



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Andy Glasgow, Asst Director of Engineering
 Date: September 8, 2020
 Re: Public Works Service Center Improvements - Design

Action Requested:

Consider and act to authorize an agreement for engineering services for the design of improvements to the Public Works Service Center for Task 1 and 2 with Quorum Architecture for an amount not to exceed \$51,800.00. (Berry)

Background Information:

On May 8, 2020, the City received responses to RFQ 2020-0035 for the Public Works Service Center Improvements. The solicitation was advertised in the local paper and posted on the City's eProcurement system in which one hundred forty-four vendors were notified. Ten submittals were received. Staff reviewed the qualifications, conducted interviews and the evaluation committee recommends Quorum Architects.

Work will include the following three tasks.

- Task 1 will be the re-evaluation of the existing master plan.
- Task 2 will be the design and construction of Phase 1 renovations, which, includes the interior remodel, conference room, lockers, and showers.
- Task 3 will be the design and construction of Phase 2, which, will include the fuel center and wash facility.

Task 1 and 2 will be move forward immediately and task 3 will be authorized at a future date.

Alternatives:

Council may reject the award and direct staff.

Financial Considerations:

Funding is available and will be tracked in project B21. Expenditures will not exceeds funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract document is being used and previously reviewed.

Supporting Documents:

Agreement and Exhibit

Staff Recommendation:

Approve Deisgn Agreement with Quorum Architecture

Quorum

August 27, 2020

Kimberly Brawner, PE, PTOE
Executive Director of Public Services
142 N. Ohio Street
Celina, TX 75009

RE: Public Works Facility
Master Plan and Renovations
Quorum No: 19019.01

Dear Kim,

Quorum Architects, Inc. is pleased to submit this proposal for design services for the Celina Public Works Facility. We understand that this project will be separated into three tasks: Task 1 will be the re-evaluation of the existing master plan. Task 2 will be the design and construction of Phase 1 renovations which includes the interior remodel, conference room, lockers, and showers. Task 3 will be the design and construction of Phase 2 which will include the fuel center and wash facility.

For budgeting purposes as well as for the purpose of providing a general baseline for this proposal, we are assuming a task 2 (Phase 1 renovations) budget of \$250,000 and have not included civil engineering. Upon approval of the proposal, and prior to beginning Basic Services, the Architect and Client agree to enter into an Agreement between Owner and Architect as agreed upon by both parties.

Task 1 – Update Master Plan – Using the data and exhibits developed in our original scope, the Architect shall prepare, for discussion, revised Master plan exhibits using the general scope defined below:

- 1.01 Using documents provided by the City, define the current property lines, available site, future roadway plans, and utilities.
- 1.02 Tour other similar facilities (up to three facilities)
- 1.03 Meet with the current leadership group to understand their desires, priorities, and ideas for master planning this site. We have included two meetings with the CISD in this scope.
- 1.04 Develop a preliminary concept master plan for discussion with staff.
- 1.05 Using the selected master plan, determine possible phasing for expansion, renovation and phased re-construction where recommended. For the purposes of this proposal it is anticipated that the concept master plan is limited to the current site, and adjacent parcels. Additional remote or off site concept plans may be included if needed as requested under an expanded scope and fee.
- 1.06 Using the selected master plan, develop an opinion of probable cost for budgeting, using recent bid projects and historical pricing using general areas of building and site.

Compensation for Basic Services of Task 1 is proposed to be a lump sum fee per the breakout below:

a.	Master Planning Services	\$10,100
b.	Meetings	\$2,500
c.	Cost Estimate	\$2,100
Total Basic Services		\$14,700 Plus Reimbursable expenses not to exceed \$300

quorum

Task 2- Interior Renovations – Due to the relative simplicity of this scope we propose to only have 2 design phases: A Preliminary and a final Design phase / submittal, however we will have three client review submittals at 50% (Preliminary Design), 90% and 100%. The general scope will include field measure the existing space and identify related visible utility services. We also understand the Client would like to have a structural engineer evaluate the existing second floor to estimate the design load. Client has may need to remove a portion of ceiling or floor to determine what is currently constructed. Existing as-built drawings would be extremely beneficial. Architect will develop a concept drawing of the restroom / locker area showing one possible option for consideration (Preliminary Design). Architect shall develop construction documents ready for bidding, including MEP consulting, civil utilities and septic system evaluation and upgrade design using drawings and performance specifications (we do not anticipate structural work other than the second floor evaluation but if it becomes necessary could be provided as performance spec with drawing by contractor). Architect shall assist the City in Bidding and perform normal Construction Administration services per the master agreement, including a preconstruction meeting, periodic observation (up to 3 site visits) and substantial and final completion walk throughs. City will furnish existing utility information as part of this work. We anticipate that no site plan submittal process will be required since it is an interior renovation. Architect will request a general overview of the documents by the code official prior to bidding so comments are addressed in bid documents however, the Contractor will submit for a permit. With only \$250,000 budget for this phase we have limited our scope to only interior renovations for this proposal

Compensation for Basic Services of Task 2 is proposed to be a lump sum fee per the breakout below:

a.	Preliminary Design	\$4,600
b.	Construction Documents	\$15,300
c.	Bidding	\$1,100
d.	Construction Administration	\$7,800
e.	Civil Engineering / Septic system	\$8,800
f.	Structural evaluation (second floor)	\$5,000
g.	Accessibility Compliance	\$1,800
Total Basic Services		\$44,400
Plus Reimbursable expenses not to exceed \$500		

Task 3- Fuel and Wash Facility – We anticipate this phase to include 50% & 100% Design Development and 60%, 90%, & 100% Construction Document submittals as requested by the City. For purposes of this proposal, anticipated scope and a baseline for developing this proposal we are assuming this task will include two or three above ground tanks, six to ten pumps, a fuel island, a wash facility probably between 4000sf- 5000sf with possibly 2 or 3 drive through wash bays with stainless steel wash equipment, a commercial vacuum system, a sand oil separator, electrical service and panels, site lighting, approx. 120,000 sf heavy duty pavement, security fencing and associated landscaping with a cost range between \$3.5 mil and \$4.5 mil. We also anticipate that adequate water service will be available at the property boundary and however public sewer will likely still not be available by this time and therefore a complete septic system replacement capable of handling this demand will need to be designed. The City also wants a generator included with the fuel system as well as a fuel management system and access control / security system, integrated with the current system by DataCom.

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3.01 Design Development – Based on the mutually agreed upon program, schedule and construction budget requirements, the Architect shall prepare, for approval by the Owner, Design Development Documents consisting of drawings and other documents illustrating the scale and relationship of Project components. During Design, Architect shall rely upon the services of an Owner furnished topographic and boundary survey, however the architect shall include geotechnical testing and recommendations (including enough holes for constructing the build out of the master plan). Design Development Documents shall fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate. Generally, most of the drawing sheets will be started as well as most specification sections, although the details of each will be completed during Construction Document development. As requested this task will include coordination with CISD so we have allocated time for their review and input along with a couple of site visits to evaluate other fuel facilities if desired.

3.02 Construction Documents – Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the construction budget authorized by the Owner, the Architect shall prepare, for approval by the Owner, Construction Documents consisting of Drawings and Specifications setting forth the requirements for the construction of the project. The Architect, as requested by the City will provide 60%, 90%, & 100% review submittals and shall assist the Owner in preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and Contractor. It is anticipated that the Owner will utilize a competitive sealed proposal process for bidding and will provide the Architect in a value rating system for evaluation of proposals. Architect will assist in permit application and submission with final permit being obtained in the name of the selected general contractor.

3.03 Bidding – The Architect will assist the Owner in bidding, including attending Pre-proposal meeting, development of addenda as necessary and answering contractor RFI's, questions of clarifications on the Documents, and other concerns. Architect will also review and analyze proposals, and provide an evaluation letter for final contractor selection.

3.04 Construction Administration –The Architect shall provide administration of the Contract for Construction as set forth in the General Conditions of the Contract for Construction, unless otherwise provided in this Agreement. The Architect, as a representative of the Owner, shall visit the site at intervals appropriate to the stage of the Contractor's operations, or as otherwise agreed by the Owner and the Architect, (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine, in general, if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. For the purpose of this proposal, we have assumed a maximum of 10 site visits over a seven (7) month construction period, including a pre-construction meeting and two (2) final review visits. Additional visits may be performed as Additional Services. Architect will request a general overview of the documents by the code official prior to bidding so comments are addressed in bid documents however, the Contractor will submit for a permit.

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3.05 Civil Engineering and Landscaping – The Architect shall procure the services of civil engineer to include necessary site work as part of the construction documents including on-site work such as grading, paving, and utility plans, as well as erosion control, hydrology and drainage calculations if required, for the area disturbed and affected by development of a new facility on site. The Owner will provide a topographic and tree survey of the area being considered.

Additional Services (Optional) – If there is a request to expand the scope of Basic Services, the fee will be negotiated based on the specific scope. This may include, but not be limited to the following: offsite utility work, renderings and videos, site plan submittals for Development or P&Z, printing multiple sets of documents for the Owner, detailed cost projections beyond architectural summaries, fees paid for approvals of authorities having jurisdiction, permitting, audio visual design, traffic studies or traffic control plans, LEED Compliance, revisions to previously approved work, surveys, entitlement, title searches, easement research, Platting or replatting, Environmental Assessments or Asbestos testing, Floodplain analysis and mitigation, enhanced landscape plans beyond complying with ordinance, Stormwater containment and analysis, LOMR and CLOMR studies, water quality analysis, environmental or wetland studies, coordination or permitting with USACE or TCEQ, and multiple designs for comparison. Additional Services work shall not be completed until approved by the Client.

Compensation for Basic Services of Task 3 is proposed to be a lump sum fee per the breakout below:
Compensation:

a.	Design Development	\$52,400
b.	Construction Documents	\$79,600
c.	Bidding	\$5,100
d.	Construction Administration	\$22,700
e.	Civil Engineering / Landscape	\$42,800
f.	Geotechnical Engineering	\$13,000
g.	Accessibility Compliance	\$1,800 (if required)

Total Basic Services \$217,400

Plus Reimbursable expenses not to exceed \$1,600

Payments shall be made within 30 days of receipt of invoice. Late payments: Accounts unpaid 30 days after the invoice may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance.

The following 2020 hourly rate schedule will be utilized for additional services if such services are requested by the Owner. Rates are subject to change each calendar year.

Principal	195.00
Project Manager	160.00
Project Architect	140.00
Architect	130.00
Intern Architect/Designer	120.00
Technical Staff	110.00
Project Clerical / Admin	75.00
Project Designer	140.00
Associate	150.00
Associate Designer	110.00

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ADDITIONAL INFORMATION

Quorum Architects, Inc. will provide the Owner with architectural services as required and agreed upon for satisfactory and normal completion of this project. The Architect shall exercise usual and customary professional care in his efforts to comply with those laws, codes, ordinances, and regulations, which are in effect as of the date of this agreement. The Architect and its Consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to hazardous materials in any form at the Project site.

In performing Architectural Services, the Architect will use that degree of care and skill ordinarily exercised under similar circumstances by competent members of the architecture profession. Notwithstanding compliance with this standard of care, the City can normally anticipate that some changes and adjustments in the project will be required either during or after construction. The City agrees to establish a construction contingency fund of no less than 5% of the estimated construction cost to cover the reasonably anticipated costs of these changes and adjustments as well as, changes due to code revisions and field conditions.

Texas law requires registrants to provide all clients with the following written statement: "The Texas Board of Architectural Examiners, P.O. Box 12337, Austin, Texas 78711-2337 or 333 Guadalupe, Suite 2-350, Austin, Texas 78701-3942, (512) 305-9000, has jurisdiction over individuals licensed under the Architect's Registration Law, Texas Civil Statutes, and Article 249a".

Should you have any questions or additional concerns, please feel free to contact us at your convenience. Thank you for trusting Quorum Architects, Inc. to assist you in this endeavor. An authorized signature below from the City will serve as acceptance and a notice to proceed.



David G. Duman, AIA TX Registration #14305
Quorum Architects, Inc.



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dawn Berry, Purchasing Manager
CC: Andy Glasgow, Asst Director of Engineering
Date: September 8, 2020
Re: Cedar Street Improvements D31

Action Requested:

Consider and act to authorize an agreement for engineering services for Cedar Street (Utah Drive to Arizona Drive) Paving, Water, and Sewer Improvements with Peloton Land Services for an amount not to exceed \$64,980. (Berry)

Background Information:

The scope includes engineering services by Peloton Land Solutions, Inc. for the design of Cedar Street from Utah Drive to Arizona Drive for paving, water and sewer improvements of approximately 780 linear feet of water system improvements along Cedar Street and along Georgia Drive totaling approximately 970 linear feet of water line improvements; and sanitary sewer system improvements including the decommissioning of the existing lift station located at intersection of Winn Road and the Alley East of the elementary school, and the installation of approximately 720 linear of sanitary sewer.

Alternatives:

Council may reject authorization of the agreement and direct staff.

Financial Considerations:

Funding is available in the current budget and will be tracked in Project D31. Expenditures will not exceed funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract documents have been used and previously reviewed.

Supporting Documents:

Agreement and Scope of Work.

Staff Recommendation:

Authorize the agreement as presented.

City of Celina, Texas

Standard Professional Services Agreement

This Agreement is made by and between the City of Celina, Texas, a Texas home-rule municipality (Owner) and **Peloton Land Solutions** (Consultant) for **Engineering Services for Cedar Street (Utah Drive to Arizona Drive) Paving, Water, and Sewer Improvements**, (Project). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Consultant hereby agree as follows:

ARTICLE I: CONTRACT & CONTRACT DOCUMENTS

1.1 THE CONTRACT

The Contract is between the Owner and the Consultant, of which this Agreement is a part, consists of the Contract Documents. It shall be effective on the date this Agreement is executed by the last Party.

1.2. THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, the Invitation to Bid, Requirements and Instructions to Bidders, the Specifications, terms and conditions, Attachments, Maps, Drawings, Scope of Service, Time Line, all Change Orders or Amendments issued hereafter, any other amendments hereto executed by the parties hereafter, together with the following (if any):

Documents not enumerated in this Paragraph 1.2 are not Contract Documents and do not form part of this Agreement.

ARTICLE 2: RECITALS

- 2.1 The City desires to have the Consultant develop the **Design Service** and provide necessary services to develop the same ("PROJECT"); and
- 2.2 The Consultant has the knowledge, ability and expertise to provide such services; and
- 2.3 The City desires to engage the services of Consultant, as an independent Consultant and not as an employee, to provide services as set forth herein and in Exhibit A: Scope of Services and Fees, which is attached hereto and incorporated herein.

ARTICLE 3: TERM / TERMINATION

3.1 TERM

The term of this Agreement shall begin on the date of its execution by all Parties. This Agreement shall continue until Consultant completes the services required herein to the satisfaction of the City, unless sooner terminated as provided herein.

3.2 TERMINATION

This Agreement may be suspended or terminated by either Party with or without cause at any time by giving written notice to the other Party. In the event suspension or termination is without cause, payment to the Consultant, in accordance with the terms of this Agreement, will be made on the basis of services reasonably determined by City to be satisfactorily performed to the date of

suspension or termination. Such payment will be due upon delivery of all instruments of service to City.

In the event that the City requires a modification of this Agreement with Consultant, and in the event the Parties fail to agree upon a modification of this Agreement, the Parties shall have the option of terminating this Agreement. Payment to Consultant shall be made by the City in accordance with the terms of this Agreement, for the services mutually agreed upon by the Parties to be properly performed by the Consultant prior to such termination date.

ARTICLE 4: SCOPE OF SERVICES

4.1 SCOPE

The following services, when authorized in writing by a Notice to Proceed from the City, shall be performed by Consultant in accordance with the City's requirements and as set forth in the attached Exhibit A, Scope of Services and fees.

If there is a conflict between the above quoted subjects and Exhibit A, then such conflict shall be resolved pursuant to the provisions of Section 10.9, below.

4.2 AUTHORIZED AGENT

All work performed by the Consultant will be performed under this Agreement, signed by a duly authorized agent of the City as approved by resolution of the City Council of the City of Celina, Texas, and the designated authorized agent for the Consultant.

ARTICLE 5: COMPENSATION / PAYMENT TERMS AND CONDITIONS

- 5.1 Compensation for the performance of Professional Services described herein shall be paid to Consultant by the City in a total amount not to exceed **sixty-four thousand nine hundred eighty dollars (\$64,980.00)** which shall accrue and be payable as provided in Sections 5.1 and 5.2 hereof.
- 5.2 Work will be performed at the rates set forth in Exhibit A – Fee Schedule, which is attached hereto and incorporated herein by reference, or as otherwise provided in negotiated fee schedules approved within this Agreement, if any.
- 5.3 Consultant payment for work under this Agreement shall be made in installments billed not more frequently than once each month upon receipt of invoices from the Consultant. If the City fails to make any payment due the Consultant within thirty (30) days after receipt of Consultant's invoice, the amounts due the Consultant will be increased at the rate of 1.5% per month from said thirtieth day, unless there is a good faith refusal by the City to pay. Payment shall be remitted to Consultant by City as instructed on invoices.

ARTICLE 6: TIME FOR COMPLETION

- 6.1 The Consultant's services and compensation under this Agreement have been agreed to in anticipation of orderly and continuous progress of the Assigned Project(s) through completion of the project(s). Specific periods of time for rendering services are set forth in Exhibit A to this Agreement, by which times defined services are to be completed.
- 6.2 If the City fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, the Consultant shall be entitled to equitable adjustment of rates and amounts of compensations to reflect reasonable costs incurred by Consultant as a result of the delay or changes in the various elements that comprise such rates of

compensation, but in no event shall such compensation exceed the scope of services schedule of maximum payment unless a written amendment to this Agreement is executed between the Parties.

ARTICLE 7: INDEMNIFICATION

- 7.1** 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.
- 7.02** NOTHING CONTAINED HEREIN SHALL CONSTITUTE A WAIVER OF GOVERNMENTAL IMMUNITY IN FAVOR OF ANY PARTY.
- 7.03** CONSULTANT AGREES THAT IT IS AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OF THE CITY, AND THAT CONSULTANT IS SUBJECT, AS AN EMPLOYER, TO ALL APPLICABLE UNEMPLOYMENT COMPENSATION STATUTES, SO FAR AS TO RELIEVE THE CITY OF ANY RESPONSIBILITY OR LIABILITY FROM TREATING CONSULTANT'S EMPLOYEES AS EMPLOYEES OF CITY FOR THE PURPOSE OF KEEPING RECORDS, MAKING REPORTS OR PAYMENTS OF UNEMPLOYMENT COMPENSATION TAXES OR CONTRIBUTIONS. CONSULTANT FURTHER AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS AND REIMBURSE IT FOR ANY EXPENSES OR LIABILITY INCURRED UNDER SAID STATUTES IN CONNECTION WITH EMPLOYEES OF CONSULTANT.
- 7.04** CONSULTANT SHALL DEFEND AND INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL CLAIMS, SUITS OR LIENS BASED UPON OR ALLEGED TO BE BASED UPON THE NON-PAYMENT OF LABOR, TOOLS, MATERIALS, EQUIPMENT, SUPPLIES, TRANSPORTATION AND MANAGEMENT COSTS INCURRED BY CONSULTANT IN PERFORMING THIS AGREEMENT.

ARTICLE 8: INSURANCE

8.1 Insurance

The Consultant shall provide and maintain insurance as listed in the insurance requirements document.

ARTICLE 9: DEFAULT

In the event Consultant fails to comply or becomes disabled and unable to comply with the provisions of this Agreement as to the quality or character of the service or time of performance,

and the failure is not corrected within thirty (30) days after written notice by City to Consultant, City may, at its sole discretion without prejudice to any other right or remedy.

- (a) Terminate this Agreement and be relieved of the payment of any further consideration to Consultant except for all work determined by the City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Consultant to and from meetings called by the City at which Consultant is required to attend, but shall not include any loss of profit of Consultant. In the event of such termination, the City may proceed to complete the services in any manner deemed proper by the City, either by the use of its own forces or by resubmitting to others. Consultant agrees that any costs incurred to complete the services herein provided for may be deducted and paid by the City out of such monies as may be due or that may thereafter become due to Consultant under and by virtue of this Agreement.
- (b) The City may, without terminating this Agreement or taking over the services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the expense of Consultant.

ARTICLE 10: MISCELLANEOUS

10.1 Reuse of Documents:

All documents including Maps, Plans and Specifications provided or furnished by the Consultant pursuant to this Agreement are instruments of service; and Consultant shall retain ownership and property interest therein whether or not the work is completed. The City may make and retain copies of any plans or specifications provided under this Agreement for the use by City and others; such documents are not intended or suitable for reuse by City or others on extension of the Project or on any other Project. Any such reuse without written approval or adaptation by the Consultant for the specific purpose intended will be at the City's sole risk and without liability to the Consultant.

10.2 Entire Agreement.

This Agreement constitutes the sole and only Agreement of the Parties and supersedes any prior understandings or written or oral agreements between the Parties with respect to this subject matter.

10.3 Assignment.

Neither this Agreement nor any duties or obligations under it shall be assignable by Consultant without the prior written consent of the City. In the event of an assignment by Consultant to which the City has consented, the assignee or the assignee's legal representative shall agree in writing with the City to personally assume, perform, and be bound by all the covenants, obligations, and agreements contained in this Agreement.

10.4 Adjustments in Services/Amendment.

This Agreement may be amended by the mutual written agreement of the Parties. Consultant shall not make any claims for extra services, additional services or changes in the services without a written agreement with the City prior to the performance of such services.

10.5 Governing law.

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in Collin County, Texas.

10.6 Notices.

All notices required by this Agreement shall be in writing and addressed to the following, or such other Party or address as either Party designates in writing, by certified mail, postage prepaid or by hand delivery:

City of Celina

Purchasing
142 N. Ohio Drive
Celina, TX 75068
469-813-4194
contracts@celina-tx.gov

Peloton Land Solutions

T.J. Wells, PE

11000 Frisco Street, Suite 400

Frisco, TX 75003

469-213-1800

timothy.wells@pelotonland.com

10.7 Legal construction.

In the event any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

10.8 Successors and Assigns.

- (a) The City and Consultant each is hereby bound and the partners, successors, executors, administrators, legal representatives and assigns of City and Consultant are hereby bound to the other Party to this Agreement and to the partners, successors, executors, administrators, legal representatives and assigns of such other Party in respect of all covenants and obligations of this Agreement.
- (b) Neither the City nor the Consultant may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other Party, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- (c) Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by the Consultant to any Consultant, subcontractor, supplier, other person or entity, or to any surety for or employee of any of them, or give any rights in or benefits under this Agreement to anyone other than the City and the Consultant.

10.9 Prohibition against Boycotting Of Israel

The City is legally prohibited from contracting for goods and services unless the contract contains written verification from the contractor that it does not, and will not during the term of contract boycott Israel as described in Texas Government Code §2270. By submitting a response to this solicitation, contractor verifies that it does not and will not during the term of this agreement boycott Israel.

10.10 Prohibition of Contracts with Certain Companies

The City is legally prohibited from contracting with a company that is identified on a list prepared and maintained by the State Comptroller of Texas under Texas Government Code §2252.153 or

§2270.0201. By submitting a response to this solicitation, contractor verifies that it is not on any such list.

10.11 Conflict.

If a conflict exists between this Agreement, and an Exhibit, the Request for Proposal ("RFP"), and/or the Response, then such conflicts shall be resolved as follows:

- (a) If a conflict exists between this Agreement and an Exhibit, the RFQ, or the Response, then this Agreement shall control.
- (b) If a conflict exists between the Response and an Exhibit, the Exhibit shall control.
- (c) If a conflict exists between the Response and the RFQ, the RFQ shall control.

10.12 Severability

Any provision or part of this Agreement that is held to be void or unenforceable under any law or regulation or by a court of competent jurisdiction shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.13 Captions

The captions used in this Agreement are for convenience only and shall not affect in any way the meaning or interpretations of the provisions set forth herein.

10.14 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.

CITY OF CELINA

CONSULTANT

Jason Laumer, City Manager



Nathan Thompson, PE Principal

Printed Name

Council Approved: August 11, 2020

Date Countersigned: 8/4/20

Exhibit A: Scope of Work & Fees
Exhibit B: Fee Schedule
Exhibit C: Map
Appendix 1 Rate Schedule



Attachment “A”

Engineering Services – Cedar Street (Utah Drive to Arizona Drive) Paving, Water, and Sewer Improvements

Work Authorization #2020-0011
(City Project D31)

The scope of this task order is to complete the construction plans for the improvements of Cedar Street from Utah Drive to Arizona Drive as shown in Attachment “C”. Specifically, these construction plans will consist of the paving, drainage for approximately 780 LF; water system improvements along Cedar Street and along Georgia Drive totaling approximately 970 LF of water line improvements; and sanitary sewer system improvements including the decommissioning of the existing lift station located at intersection of Winn Road and the Alley East of the elementary school, and the installation of approximately 720 LF of sanitary sewer.

Peloton will provide the following services for the Cedar Street Paving, Water, and Sewer Improvements within the City of Celina (“City”) Texas. Peloton’s services will consist of surveying services, civil engineering services, geotechnical engineering, preparation of easement documents, and assistance with bidding and construction.

All tasks performed under this contract for this development will be prepared or analyzed utilizing the City development standards and criteria unless otherwise noted or excluded below.

SCOPE OF SERVICES

1. Design Management:

1.1. Project Meetings: Peloton will orchestrate and attend project meetings as directed by the City to ensure the design team, City, and citizens of Celina remain informed and have direct input on the project. These meetings will include:

- Project kick-off meeting with the City;
- Design review meetings (3) with the City, at or after milestone (30/60/Final) submittals;
- Periodic conference calls with the City staff to discuss status and design issues (monthly).

2. Preliminary Engineering

2.1. Topographic Survey: Peloton will conduct a field topographic survey of the lift station site, proposed sanitary sewer routing, and topographic survey of the corridor along Cedar Street.

2.2. ROW/Easement Research and Boundary Survey: Peloton will research record documents and field locate available on-ground property monumentation of the properties on the north side of Cedar Street. This information will be used to develop a right-of-way/easement control drawing and boundary survey.

2.3. Conceptual (30%) Design Engineering Plans: Peloton will prepare a Conceptual Engineering Design Plans package for the project limits described by the pscope of this amendment. The plans will reflect the plan and profile of the proposed Cedar Street, utility plan, and proposed removals and conflicts for design review.

3. Civil Design Services:

3.1. Engineering Plans: Peloton will prepare and submit Engineering Plans to the City for review and comment. After submittal of the initial plan set Peloton will prepare the final Engineering Plans and Construction Documents for the described scope. Also included in this scope is a tabulation of estimated project quantities and engineer's opinion of probable costs and project specifications to support the Engineering Plans. The specifications book will be based on the latest edition of the City's Technical Specifications and/or the North Central Texas Standard Specifications for Public Works Construction. This plan set will include the following additional sheets:

- Paving Plan and Profile
- Utility Plan Sheet
- Sanitary Sewer Profiles
- Lift Station Decommissioning Plan Sheet
- Storm Drain Connection Improvements

3.2. Geotechnical Report: Peloton intends to retain Alpha Testing a local geotechnical engineering firm to perform a geotechnical investigation and provide pavement design and utility trenching recommendations for the project. Their services will be provided in accordance with the City's Geotechnical Performance Specifications.

3.3. Lift Station Closure: The task includes developing the closure plan, report, maps, and associated documents for submittal to TCEQ. Coordination with TCEQ, addressing of TCEQ Comments, site visits during Lift Station Closures to collect photographs for final report. Completion and submittal of Final Closure Report to TCEQ

4. Additional Services:

4.1. ROW/Easement Documents (if required): Peloton will prepare and submit Right-of-Way and/or easement plats based on the boundary survey and improvements proposed on the Engineering Plans. These will be documents needed to obtain right-of-way dedications and/or easements needed for improvements, construction, and a temporary access along the project corridor. This scope anticipates this effort will require up to three (3) documents of either ROW Dedication or Easement Documents.

4.2. Franchise Utility Coordination: Peloton will coordinate with the franchise utility companies on an as needed basis to assist in the planning of any utility relocation within the corridor. This includes coordinating with electric, gas, and telecommunications who may have infrastructure within the corridor. This work will be performed on an hourly basis with a not to exceed amount, if additional effort is required due to unforeseen circumstances that requires Peloton's services this will be billed as additional services, after approval from the City.

Tasks not specifically delineated above are excluded from the base scope of services but can be provided as an additional service. These exclusions include but are not limited to:

- Construction Staking;
- As-Built Surveying;
- Master Planning for Water or Sewer Design;
- Stormwater Report;
- Material testing during construction;
- Landscape designs or improvements, other than revegetation of disturbed areas;
- MTP amendments or updates;
- Design or construction plans for offsite infrastructure;
- ADA accessibility design, review or compliance;
- Potable water hydraulic modeling and studies;
- Structural design, including retaining wall / slope or slope stability design, bridge and other drainage structural design, etc. will be contracted directly by Client with structural firm;
- Design or review of electrical, telecommunication or natural gas infrastructure;
- Traffic impact analysis;
- Signalization Design or Coordination;
- FEMA/City Submittal Fees;
- Floodplain development permit;
- Revisions or scope increases caused by changes in regulatory requirements;
- USACE/404 Permitting;
- Lift Station and Force Main Design;
- Hydrologic modeling;
- Flood study reports;
- CLOMR, LOMR, or floodplain development permit submittals;
- Scour analysis, erosion studies, or geomorphologic studies; and
- Preliminary or detailed design of detention pond or outlet structures;
- Preparing the Notice to Bidders, receiving bids, reviewing bids, and preparing bid summary;
- Preparing Contracts between Client and Contractors.

ATTACHMENT “B” – COMPENSATION AND FEES

Scope of Services Fee:

1	Design Management		
1.1	Project Meetings	\$	3,000
	Subtotal:	\$	3,000
2	Preliminary Engineering:		
2.1	Topographic Survey	\$	3,000
2.2	ROW/Easement Research and Boundary Survey	\$	4,000
2.3	Conceptual (30%) Design Engineering Plans	\$	8,000
	Subtotal:	\$	15,000
3	Civil Design Phase Services:		
3.1	Engineering Plans	\$	24,500
3.2	Geotechnical Report*	\$	7,480
3.3	Lift Station Closure	\$	15,000
	Subtotal:	\$	46,980
	<u>Total Estimated Fee</u>	\$	<u>64,980</u>

FEE SUMMARY

A.	Roadway Design Fee	\$	28,730
B.	Water Design	\$	10,625
C.	Sewer Design Fee	\$	25,625
	<u>TOTAL:</u>	\$	<u>64,980</u>

4	Additional Services:		
4.1	ROW/Easement Documents (if required)	\$	1,500 Each
4.2	Franchise Utility Coordination (Hourly NTE Estimate)	\$	2,000
	Subtotal:	\$	6,500

*Fee includes 10% Sub-Consultant Markup for Peloton coordination and review of Geotechnical Documentation

Attachment: Cedar Street Improvements - Agreement (x) (Cedar Street Improvements Project #D31)



CEDAR STREET
PROJECT SCOPE

EXHIBIT "C"

Appendix 1

Rate Schedule (2020)

Classification	Bill Rate Per Hour (Not Including OT)
Project Principal	\$230 - 275
Sr. Project Manager	\$200 – 230P
Project Manager	\$155 - 200
Sr. Civil Engineer	\$160 - 235
Civil Engineer	\$120 - 160
Civil Designer	\$95 -155
Engineer-In-Training	\$95 - 120
Intern.....	\$50 - 65
Sr. Planner	\$125 - 165
Planner	\$75 - 125
CADD Technician	\$50 - 105
Sr. Survey RPLS.....	\$175 - 220
Survey RPLS.....	\$125 - 175
Sr. Survey Technician.....	\$105 - 150
Survey Technician	\$50 - 105
Party Chief.....	\$80 - 115
Instrument Man	\$45 - 80
Sr. Environmental Scientist.....	\$130 - 190
Environmental Scientist	\$80 - 130
Certified Arborist	\$150 - 170
GIS Specialist.....	\$120 - 180
Landscape Architect	\$100 - 160
Project Accountant.....	\$90 - 125
Administrative Assistant	\$60 - 90

Rates for Direct Expenses are as follows:

Mileage (Auto).....	IRS Std. Rate
Mileage (Field Truck)	IRS Std. Rate
Field Survey / GPS Equipment.....	\$200/day
Meals and Lodging.....	at cost x 1.10
Reprographics	at cost x 1.10
Other Direct Expenses	at cost x 1.10

Rates are subject to revision at the beginning of each calendar year. Rates for expert witness tasks will be negotiated on case-by-case basis, but will generally be two (2) times the rates shown above.



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 8, 2020
Re: City of Celina and Prosper ISD Land Exchange

Action Requested:

Consider and act to authorize the City Manager to enter into an Interlocal Agreement between the City of Celina and Prosper ISD for the exchange of real property located on FM 1385 between Crutchfield Avenue and Ballenger Road. (Brawner)

Background Information:

As part of the Sutton Fields development agreement and PID creation, CADG Sutton Fields, LLC dedicated approximately 15 acres of land for municipal property. The property is located on the west side of FM 1385 between Ballenger Road and Crutchfield Avenue.

The City of Celina intends to utilize the property for Fire Station #3, but will have surplus of land after the construction. Evaluating the highest and best use of the property, city staff recognized the need for a public elementary school for Prosper ISD in this area. Staff met with PISD staff and developed several draft layouts of the proposed campus and future fire station. At this time, a final layout has NOT been determined for either campus, but both elements can co-exist on the property. PISD has committed to build an elementary school on this property in the near future. The proposed agreement has a reverter clause that requires PISD to construct the elementary school in 5 years or less or the property will revert to City property.

Board Review/Citizen Input:

N/A

Alternatives:

Council could direct staff to not pursue the land exchange.

Financial Considerations:

As part of this land exchange, CADG Sutton Fields, LLC has agreed to compensate the City \$500,000 for the appraised value of the property.

Legal Review:

City legal council has approved the attached agreement.

Supporting Documents:

Property location

Agreement

Staff Recommendation:
Staff recommends approval.

LAND SALE AND PUBLIC SCHOOL CONSTRUCTION AGREEMENT,
CITY OF CELINA, PROSPER INDEPENDENT SCHOOL DISTRICT, CADG SUTTON
FIELDS, LLC

This AGREEMENT (“**Agreement**”) is made and entered into by CADG SUTTON FIELDS, LLC, a Texas corporation (“**Developer**”), the CITY OF CELINA, a home-rule municipality created, existing, and organized under the laws of the State of Texas and the City’s home-rule charter (“**City**”), and the PROSPER INDEPENDENT SCHOOL DISTRICT (“**District**”) a political subdivision of the State of Texas.

R E C I T A L S:

WHEREAS, Developer and City previously entered into a development agreement approved on October 27, 2015 (“**Development Agreement**”) where Developer agreed to develop approximately 622 acres of real property located entirely within the city limits and extraterritorial limits of the City; and

WHEREAS, as part of the Development Agreement, Developer set aside and sold to the City approximately 15 acres to be used for municipal purposes (“the Municipal Property”); and

WHEREAS, City and Developer desire for a portion of the Municipal Property, approximately 11 acres generally located at the intersection F.M. 1385 and Crutchfield Road in Celina, Texas, more particularly depicted and described and attached hereto as **Exhibit A** (the “**PISD Property**”), to be used as a public school for District; and

WHEREAS, the City, by authority of Chapter 272.001 of the Texas Local Government Code, is authorized to convey land to the District for the use of said land for the public purpose of a public school campus if the deed contains a reversion of the PISD Property to the City should the District cease to use the land for the stated public purpose; and

WHEREAS, in exchange for City transferring the PISD Property to the District, Developer wishes to compensate the City for the appraised value of the PISD Property; and

WHEREAS, City, District, and Developer agree and understand that this Agreement shall not be effective until the City Council and District Board of Trustees have approved this Agreement at public meetings called and held for this purpose (the date of the obtaining of the last of the foregoing approvals is hereinafter referred to as the “**Agreement Approval Date**”).

NOW THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the City, the District, and Developer (collectively “**Parties**” and each individually, “**Party**”) agree to the following:

Section 1.00 Recitals

The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

Section 2.00 Developer's Obligations

Within one (1) year of the Agreement Approval Date and prior to the City conveying the PISD Property to the District, in consideration thereof, Developer shall pay to the City a total of five hundred thousand dollars (\$500,000), which is the value determined in an appraisal of the PISD Property conducted by Integra Realty Resources. Developer shall cooperate with the Office of the City Manager to facilitate such payment.

Section 3.00 City's and District's Obligations

3.01 Within ninety (90) days of the Agreement Approval Date, City shall convey the PISD Property to the District in fee simple determinable with possibility of reverter.

3.02 Possibility of Reverter. City shall provide the District with a special warranty deed to the PISD Property (the "**Deed**") in the Form attached hereto as **Exhibit B** and incorporated herein. The Deed shall contain durational language evidencing City's and Developer's requirement for District to begin to construct a public school on the PISD Property within five (5) years of the date the Deed is recorded, and continuously operate a public school thereafter. If construction of a public school has not commenced within five (5) years of the date the Deed is recorded, or if the PISD Property ceases to be used as a public school at any time thereafter, ownership of the PISD Property shall automatically revert back to City ("Reversion Event"). City and Developer agree that upon the occurrence of a Reversion Event, Developer shall be entitled to repayment from City of five hundred thousand dollars (\$500,000). Developer agrees to accept such repayment of five hundred thousand dollars (\$500,000) over time, with no interest added, so long as the full repayment amount is paid within twelve (12) months from the Reversion Event. The City shall notify Developer in writing within five (5) days of any Reversion Event of the PISD Property. This Section shall survive termination of this Agreement

3.03 District agrees to name elementary school after Dan Christie who was active in Collin County land and in Prosper.

3.04 District agrees reimburse the city for fifty percent (50%) of costs to bring water and sewer to school site, costs not to exceed seventy-five thousand dollars and zero cents (\$75,000.00).

Section 4.00 Default by Parties

Each of the following shall constitute a default by Developer under this Agreement:

4.01 Default by Developer. Developer's failure to timely or properly perform or comply with any term, obligation, covenant or condition contained in this Agreement and such failure is not cured within the time specified in Section 8.00 after Developer's receipt of written notice thereof from the City or the District specifying in detail the nature of such failure.

4.02 Default by City. City's failure to timely or properly perform or comply with any term, obligation, covenant or condition contained in this Agreement and such failure is not cured within the time specified in Section 8.00 after City's receipt of written notice thereof from the Developer

or the District specifying in detail the nature of such failure.

4.03 Default by District. District's failure to timely or properly perform or comply with any term, obligation, covenant or condition contained in this Agreement and such failure is not cured within the time specified in Section 8.00 after District's receipt of written notice thereof from the City or the Developer specifying in detail the nature of such failure.

Section 5.00 Remedies

5.01 Remedies of Developer. If the City or the District are in default under this Agreement, then Developer shall be entitled to seek specific performance, injunctive relief, and/or pursue a claim for actual damages, excluding any punitive, consequential, special or speculative damages.

5.02 Remedies of City and District. The City and District shall be entitled to seek specific performance, injunctive relief, and/or pursue a claim for actual damages, excluding any punitive, consequential, special or speculative damages.

Section 6.00 INDEMNITY AND LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT ALLOWED BY LAW, THE CITY SHALL INDEMNIFY AND SAVE HARMLESS DEVELOPER, DISTRICT AND THEIR OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY'S FEES, FOR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF THE CITY OR ITS AGENTS, REPRESENTATIVES OR EMPLOYEES IN CONNECTION WITH OR RELATED TO THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

TO THE MAXIMUM EXTENT ALLOWED BY LAW, THE DISTRICT SHALL INDEMNIFY AND SAVE HARMLESS THE DEVELOPER AND CITY AND THEIR OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY'S FEES, FOR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF THE DISTRICT OR ITS AGENTS, REPRESENTATIVES OR EMPLOYEES IN CONNECTION WITH OR RELATED TO THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

TO THE MAXIMUM EXTENT ALLOWED BY LAW, THE DEVELOPER SHALL INDEMNIFY AND SAVE HARMLESS THE DISTRICT AND THE CITY, TOGETHER WITH THEIR OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM

ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY'S FEES, FOR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF THE DEVELOPER AND THEIR AGENTS, REPRESENTATIVES OR EMPLOYEES IN CONNECTION WITH OR RELATED TO THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

THE PROVISIONS OF THIS SECTION 6.00 SHALL SURVIVE TERMINATION.

Section 7.00 Term.

The term of this Agreement is sixty-six (66) months and shall commence on the Agreement Approval Date. This Agreement shall remain in full force and effect during the term unless sooner terminated as provided for herein.

Section 8.00 Termination of the Agreement.

This Agreement terminates at the end of the term, and may be terminated, either immediately or after the required notice, upon any one or more of the following:

- A. upon the later to occur of: (i) Developer paying the City pursuant to Section 2.00, above, and (2) City filing the Deed in the land records;
- B. by mutual written agreement of all the Parties;
- C. by the City and/or District, if the Developer defaults or breaches any of the terms or conditions of this Agreement, and such default or breach is not cured within thirty (30) days after Developer's receipt of written notice thereof from the City and/or District specifying in detail the nature of such alleged default breach or, if such default or breach cannot be cured within such 30-day period in the exercise of all due diligence, then if the defaulting Party commences an attempt to cure within such 30-day period, such longer period as the Party thereafter continues diligently to prosecute the cure of such default or breach;
- D. by the Developer, if City and/or District defaults or breaches any of the terms or conditions of this Agreement, and such default or breach is not cured within thirty (30) days after City and/or District's receipt of written notice thereof from the Developer specifying in detail the nature of such alleged default breach or, if such default or breach cannot be cured within such 30-day period in the exercise of all due diligence, then if the defaulting Party commences an attempt to cure within such 30-day period, such longer period as the Party thereafter continues diligently to prosecute the cure of such default or breach
- E. by the City and/or District if the Developer suffers an event of bankruptcy or insolvency; or
- F. by any Party if any subsequent Federal or State of Texas legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

Section 9.00 Notice.

Any formal notices or other communications required to be given by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth hereinbelow for such Party, and will be deemed effective when actually received by the intended recipient if delivered in person or, whether actually received or not, when (a) deposited in the United States mail, postage fully prepaid, registered or certified mail, return receipt requested, addressed to the intended recipient at the address shown below, or (b) deposited with a nationally recognized overnight delivery service (i.e. Federal Express), service fully paid for, addressed to the intended recipient at the address shown below

To: Developer:

CADG Sutton Fields, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

With a copy to:

Robert Miklos
Miklos Law, PLLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

To the City:

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

With a copy to:

Julie Fort
Messer, Fort & McDonald, PLLC
6371 Preston Rd. STE 200
Frisco, Texas 75034

To the District:

Prosper Independent School District
Attn: Superintendent
605 E. Seventh Street
Prosper, Texas 75078

With a copy to:

The Parties shall have the right to change their respective addresses and to specify as its address any other address within the United States of America by giving at least ten (10) days written notice to the other Party.

Section 10.00 Miscellaneous Provisions.

10.01 Time of Essence. Time is of the essence in all things pertaining to the performance of this Agreement.

10.02 Amendment. This Agreement may be amended by mutual consent of the Parties.

10.03 Severability. If any provision of this Agreement 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 Agreement shall remain in full force and effect and shall not be affected.

10.04 Waiver. Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

10.05 Applicable Law and Venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas. Venue shall only be in Denton County, Texas.

10.06 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and perform such further acts as the other Party reasonably request in order to effectuate the terms of this Agreement.

10.07 Incorporation by Reference. All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

10.08 Compliance with Law. Notwithstanding any other provision of this Agreement, the Parties shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well any City ordinances not in conflict with this Agreement, and any rules implementing such statutes or regulations.

10.09 Authority for Execution. The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized. The District hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized. The Developer hereby certifies, represents, and warrants that the individual executing this Agreement on behalf of Developer is

duly authorized and has full authority to execute this Agreement and bind Developer to the same.

10.10 Headings or Captions. The headings or captions used in this Agreement are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Agreement.

10.11 Counterparts. This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall, together, constitute and be one and the same instrument. Signature of the Parties may be transmitted by the Parties by email or facsimile and signatures so transmitted shall be binding upon the Parties transmitting such signatures by such means as original signatures for all purposes.

10.12 No Joint Venture. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent or of partnership or joint venture or of any association whatsoever between the Parties.

10.13 Entire and Final Agreement. This Agreement encompasses the entire agreement of the Parties and terminates and supersedes all prior understandings and agreements on the subject matter hereof, whether written or oral. The Parties hereby acknowledge and represent, by affixing their signatures hereto, that the Parties have not relied on any representation, assertion, guarantee, warranty, collateral contract, or other assurance, except those set out in this Agreement. The Parties hereby waive all rights and remedies, at law or in equity, arising or which may arise as the result of a Party's reliance on such representation, assertion, guarantee, warranty, collateral contract or other assurance. This Agreement may be modified only by a further writing that is duly executed by the Parties.

10.14 No Rule of Construction. The Parties acknowledge that this Agreement was prepared by the City solely as a convenience and that all Parties hereto, and their counsel, have read and fully negotiated all the language used in this Agreement. The Parties acknowledge that no rule of construction shall apply to this Agreement which construes ambiguous or unclear language in favor or against any Party because such Party drafted this Agreement.

10.15 Good Faith Obligation. The Parties to this Agreement agree to renegotiate, in good faith, any term, condition or provision of this Agreement that any court of competent jurisdiction determines to be in contravention of any federal, state or local regulation or law.

10.16 Dispute and Dispute Resolution. If a dispute arises between the Parties, as a condition precedent to filing a lawsuit or seeking a remedy through the courts, the complaining Party will notify the other of its request to mediate the dispute and the Parties agree to attend, within forty-five (45) days, a non-binding mediation of at least 4 hours in duration, the cost of which shall be borne equally by the Parties and each Party shall be responsible for its own legal fees and expenses related to any such mediation. If any Party initiates any legal action to enforce or interpret any of the terms or provisions of this Agreement without first following the express provisions of this Section, that Party expressly waives its claims against the other Party unless that Party's rights under the applicable statute of limitations would be prejudiced by following the express provisions of this Section. Following the mediation required above, in any litigation, by which one Party

either seeks to enforce its rights under this Agreement or seeks a declaration of any rights or obligations under this Agreement, the prevailing party may seek recovery of its reasonable, actual attorney fees.

10.17 Governmental Powers; Waivers of Immunity. By execution of this Agreement, the City and the District do not waive or surrender any of their governmental powers, immunities, or rights. The Parties specifically agree that this Agreement does not constitute a contract for goods or services under Chapter 271 of the Texas Local Government Code. Nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the Parties hereto. Nothing in this Agreement is intended to delegate or impair the performance by the City and the District of their governmental functions.

10.18 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement; however, in the event that a Party is unable, due to strike, lockout, inability to procure labor or materials, failure of power, riots, insurrection, war, adverse weather conditions, fire or other casualty (a “Force Majeure”), to perform its obligations under this Agreement, then the obligations affected by such Force Majeure shall be temporarily suspended. Within ten (10) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give written notice to all the Parties, including a detailed explanation of the Force Majeure, a description of the action that will be taken to remedy or mitigate the Force Majeure, and resume full performance at the earliest possible time. The term “Force Majeure” shall also include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of due diligence and reasonable care. The term “Force Majeure” does not include acts by the City or the District.

10.19 Existence; Authority. Developer 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 Agreement; and (3) that the person or persons executing this Agreement on its behalf has been duly authorized to do so.

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

Developer

CADG Sutton Fields, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

Attachment: City-CADG-PISD Agreement v6 MFM 8-27-20 (Interlocal between PISD and City of Celina)

City

City of Celina, Texas
a Texas home rule municipality

Jason Laumer, City Manager

Date: _____

ATTEST:

BY: _____
Vicki J. Tarrant, City Secretary

District

Prosper Independent School District
a Political Subdivision of the State of Texas

Dr. Drew Watkins, Superintendent

Date: _____

EXHIBIT A
Property Description & Depiction

Attachment: City-CADG-PISD Agreement v6 MFM 8-27-20 (Interlocal between PISD and City of Celina)

EXHIBIT B
Special Warranty Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

AFTER RECORDING RETURN TO:

Celina City Hall
 Attention: City Engineer
 142 N. Ohio Street
 Celina, Texas 75009

SPECIAL WARRANTY DEED

STATE OF TEXAS §

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DENTON §

THAT, the City of Celina, Texas, a Texas municipal corporation, hereinafter called “**Grantor**,” for and in consideration of the sum of **TEN DOLLARS and NO CENTS (\$10.00)** and other good and valuable consideration to Grantor in hand paid by **Prosper Independent School District**, a political subdivision of the State of Texas, hereinafter called “**Grantee**,” the receipt and sufficiency of which is hereby acknowledged, and for which no lien is retained, express or implied, does GRANT, SELL and CONVEY unto Grantee all of Grantor’s right, title and interest in and to that certain tracts and lots of real property located in Denton County, Texas, as more particularly described on **Exhibit “A”** and depicted in **Exhibit “B”** both attached hereto and incorporated herein by reference for all purposes, together with all improvements thereon, and all rights, benefits, privileges, tenements, hereditaments, rights of way, easements, appendages and appurtenances relating thereto (collectively referred to as the “**Property**”).

The warranty contained herein is subject to: (i) any and all mineral reservations, restrictions, covenants, conditions and easements, if any, relating to the Property, but only to the extent that they are still in effect and shown of record in Denton County, Texas; and (ii) all zoning law regulations and ordinances of municipal and/or other governmental authorities, if any, and (iii)

all matters affecting the Property and filed of record in the real property records of Denton County, Texas.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND SUBJECT TO THE ABOVE EXPRESSED PROVISIONS OF THIS DEED, GRANTEE IS ACCEPTING THE PROPERTY IN AN "AS IS," "WHERE IS," CONDITION "WITH ALL FAULTS," SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, OF ANY KIND, ORAL OR WRITTEN, EXPRESS, IMPLIED, OR STATUTORY, FROM OR ON BEHALF OF THE GRANTOR, CONCERNING THE PROPERTY OR THIS DEED.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that the above Property is conveyed subject to a right of reversion, and Grantor may elect to exercise the right of reversion in accordance with this instrument upon the failure or cessation of the following condition, hereinafter called the "Reversion Condition": **so long as construction of a public school on Property is commenced within five (5) years after this conveyance is made, and then a public school is continuously operated on Property forever thereafter.**

Should the Reversion Condition cease to be met at any time, the estate automatically terminates and this conveyance shall be null and void and the Property will automatically revert to, without necessity for suit or reentry, to the City of Celina and no act or omission on any part of either party shall be a waiver of the operation or enforcement of this reversion. This limitation shall be binding upon and is to be observed by Grantee, its successors and assigns, and shall run in favor of and be enforceable by Grantor and its successors and assigns until its expiration hereunder.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto said Grantee, its successors and assigns, forever. Grantor does hereby bind Grantor and Grantor's heirs, successors, executors and assigns, to warrant and forever defend, all and singular the Property unto the Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Grantor, but not otherwise.

[execution pages follow]

EXECUTED this ____ day of _____, 2020.

CITY OF CELINA

BY: _____
Jason Laumer, City Manager

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF COLLIN

This instrument was acknowledged before me on the ____ day of _____, 2020, by Jason Laumer, City Manager, City of Celina, Texas.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2020.

Notary Public in and for the State of _____
My Commission Expires: _____

Attachment: City-CADG-PISD Agreement v6 MFM 8-27-20 (Interlocal between PISD and City of Celina)

AGREED and ACCEPTED:

PROSPER INDEPENDENT SCHOOL DISTRICT

BY: _____
Superintendent

Print Name: _____

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF DENTON

This instrument was acknowledged before me on the ____ day of _____, 2020, by
_____, Superintendent, Prosper Independent School District.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____,
2020.

Notary Public in and for the State of _____
My Commission Expires: _____

Attachment: City-CADG-PISD Agreement v6 MFM 8-27-20 (Interlocal between PISD and City of Celina)

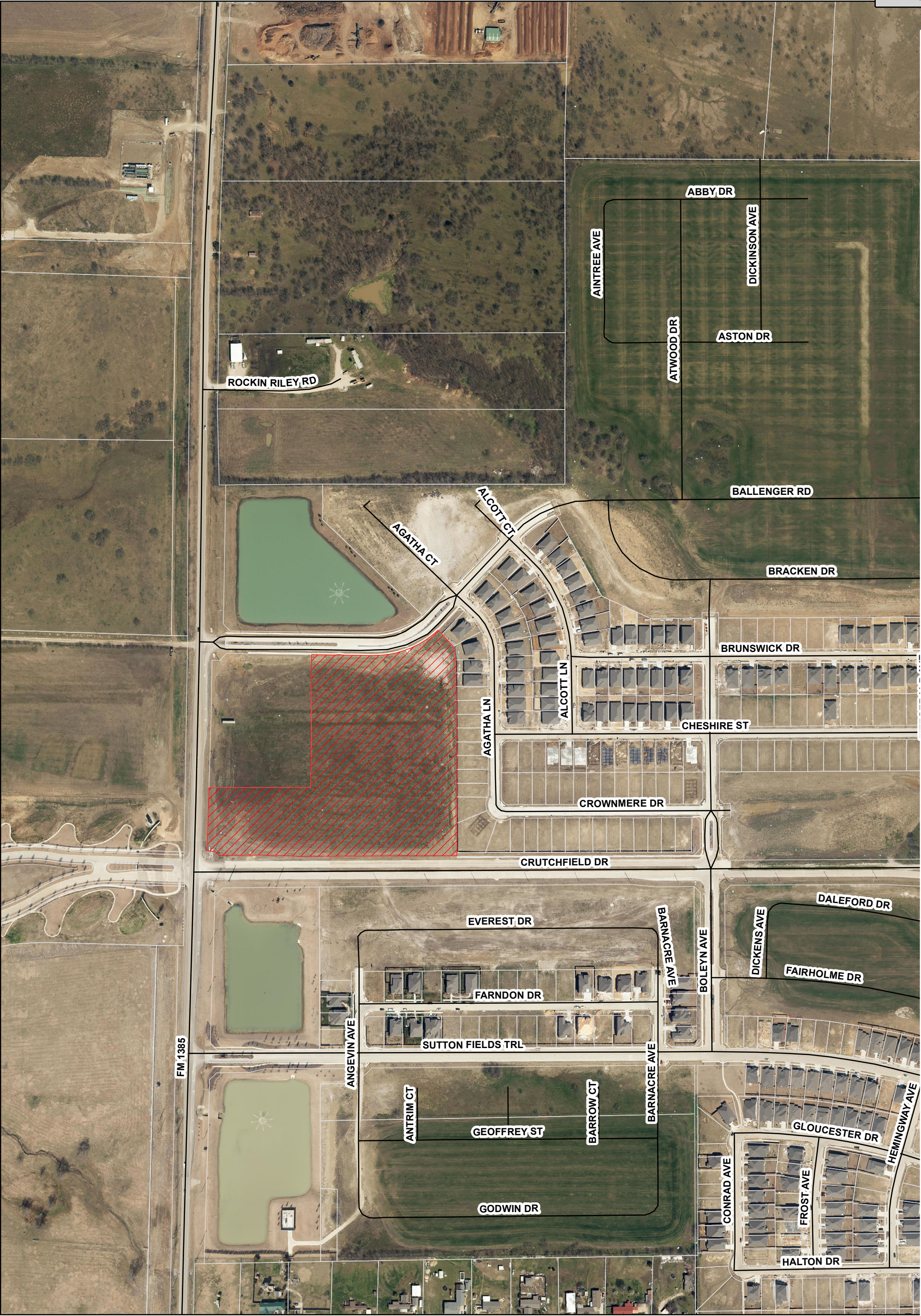
Exhibit “A”

Description of Property

Attachment: City-CADG-PISD Agreement v6 MFM 8-27-20 (Interlocal between PISD and City of Celina)

Exhibit “B”

Depiction of Property



CELINA
TEXAS
EST. 1876

Life Connected.

Future Prosper ISD School Site

Date: 8/21/2020

Legend

—

Roads

SchoolSite

0 315 630 Feet

Packet Pg. 553



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 8, 2020
Re: Downtown Temporary Parking Lots

Action Requested:

Consider and act to authorize the City Manager of the City of Celina to enter into Agreements with Private Property Owners for temporary use of their property as public parking in Downtown Celina. (Brawner/McAfee)

Background Information:

City Staff created a public parking lot on city owned land located in the block surrounded by Louisiana, BNSF railroad tracts, Pecan Street (FM 455) and Beech Street. These lots were created approximately one year ago and have been very well received by the general public. City staff recently replaced and smoothed these existing lots with new gravel. The good news is that Celina's downtown area has become the "place to be" in Celina. The challenge is that the area continues to grow and generate additional demand for parking that exceeds the available parking spaces. Parking for special events creates extreme demand on parking spaces and on public rights of way.

With the increased demand, City Staff evaluated the option to purchase property for the use of public parking lots and several tracts have been acquired for that purpose. These tracts include 403 & 411 W Walnut Street, 408 & 412 W Pecan Street, and 205 W Main Street (permanent easement). However, these lots are not ready for construction of permanent parking structures and the demand for public parking continues to grow. The city of Celina and Celina ISD have an interlocal agreement that allow their administration parking lot to be utilized for public parking when it is not being used for school events.

Staff began looking for an interim solution(s). Because the gravel lots have been so well received by the public, staff evaluated the available vacant lots and identified potential candidates. Staff approached these property owners about the possibility of utilizing their property for temporary parking spaces. Several property owners have agreed to allow a temporary use of their property.

The proposed agreement template outlines the responsibilities and expectations between the City of Celina and the property owner(s). Each agreement is for a three year time period with automatic one year renewals. Staff recommends that these lots are developable and the property owner may sell the property at any time. The agreement includes a clause for both parties to exit the agreement with appropriate notifications.

Board Review/Citizen Input:

N/A

Alternatives:

Council could chose to not approve these agreements.

Financial Considerations:

Funds for temporary gravel lots will be financed from existing operating funds.

Legal Review:

City legal council has reviewed and approved the agreements.

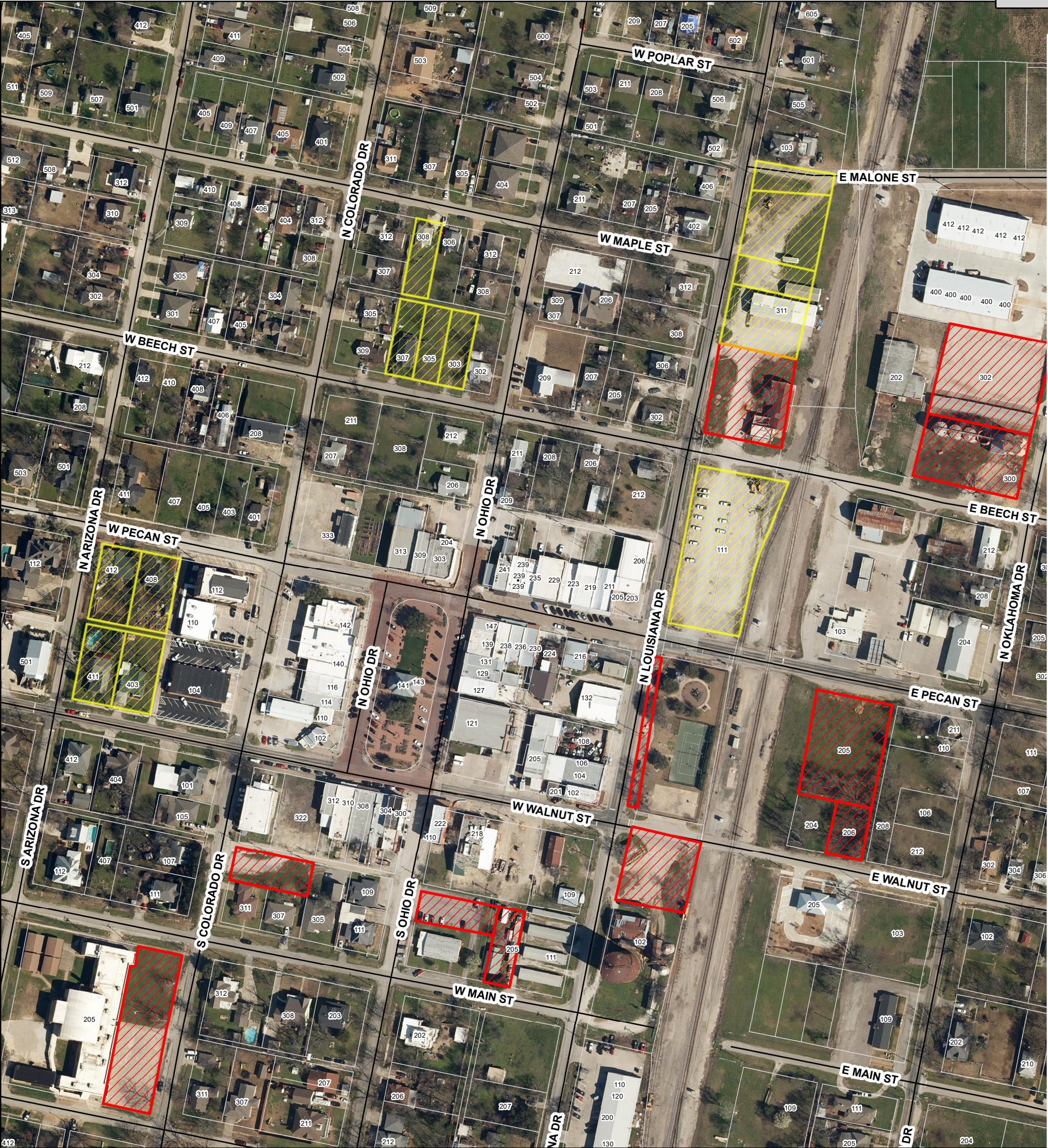
Supporting Documents:

Parking lot locations

Agreement template

Staff Recommendation:

Staff recommends approval



Attachment: CurrentPotentialParking_Status Updates (Downtown Parking Agreement)

Location	Owner	Improvement	Interest
300 N Oklahoma Dr	Vision & Structure LLC	Grading & Gravel	Probably yes, Mike waiting to hear back
302 N Oklahoma Dr	Clay Thomas	Remove Fence	Yes, fully willing to let us use
205 E Pecan St	Sara Sangani	Gravel	Yes, if we want to utilize
206 E Walnut St	Danoush Khairkhah	Gravel	Yes, if we want to utilize
102 S Lousiana	Scott Bourland	Gravel, two demo buildings	Yes, working on quotes for demo
Louisiana & Beech	Linda Johnson	Gravel	Hard No, never going to happen
205 S Colorado Dr	Celina ISD	None	Yes, executed
322 Walnut St	Celina Real Estate	None	No
205 W Main St	Stephens Gary	Demo building	Probably yes
S Ohio Dr & W Main St	Church of Christ	None	Yes, executed

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("License"), made and entered into as of this _____ day of _____ 2020 by and between _____ (the "Licensor"), having an address at _____ and CITY OF CELINA, TEXAS ("Licensee"), having an address at 142 N. Ohio Street, Celina, Texas 75009.

W I T N E S S E T H:

WHEREAS, the City of Celina is a home rule municipality located in Collin County and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, the Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City desires to create a safer and more vibrant downtown business district by providing parking within walking distance to restaurant and retail establishments; and

WHEREAS, Licensor owns real property located at _____ and wishes to allow the use of the space for public parking spaces, (the "Licensed Spaces"); and

WHEREAS, said real property is described and depicted in the attached Exhibit "A" (the "Property"); and

WHEREAS, Licensee desires to enter upon the Licensed Spaces in order to use it as a public parking area thereupon pursuant to this License; and

WHEREAS, Licensor shall provide Licensee with access to the Licensed Spaces 24 hours a day, 7 days a week for the purpose of as providing parking spaces for use by the general public as provided herein; and

WHEREAS, as consideration for this License, the Licensee shall install a temporary parking surface, and related improvements as agreed upon by the parties as set forth in detail on the attached Exhibit "B".

NOW THEREFORE, it is agreed by and between the parties as follows:

ARTICLE 1 PREMISES

Licensor shall permit Licensee to use the Property located at _____ for public parking. The Licensee's parking is initially to be comprised of _____ self-parking spaces constituting the Licensed Spaces. Licensee may increase or decrease the number of self-parking spaces on the Property.

ARTICLE 2 TERM

This License shall take effect as of _____, 2020 and shall continue for a minimum use period of three (3) years with an expiration date of _____, 2024 (the "Term").

The Licensor may elect to not renew the License by giving the Licensee written notice of non-renewal at least sixty (60) days prior to the end of the Term. Otherwise, the License shall automatically renew for another one (1) year term.

ARTICLE 3 USE

Licensee shall permit the public to enter upon and use the Licensed Spaces only for and for no purpose other than public parking. The Licensor guarantees that the License spaces shall be available at all times for public parking.

ARTICLE 4 NO ASSIGNMENT

This License is for the exclusive benefit of the Licensee and solely for the purposes hereinabove set forth and shall not be assigned either in whole or in part, or leased or sublet in any manner, nor shall any interest therein pass to any other person, firm or corporation whatsoever, either by the acts of the Licensee or by operation of law, without the prior consent in writing of Licensor.

ARTICLE 5 OTHER AGREEMENTS

It is understood that all other agreements between the parties with respect to this License shall be superseded by this License and any obligations between the parties shall be determined solely by this License until such time as this License is superseded by another agreement.

ARTICLE 6 NOTICES

Any notice or demand which either party may or must give to the other according to this License shall be effective only if in writing and sent by certified or registered mail, return receipt requested, addressed to the other party at its address first set forth hereinabove and shall be effective for all purposes on the day after the mailing.

ARTICLE 7 WARRANTY

The undersigned signatory for Licensee personally warrants and represents that he/she has full power and authority to enter into this License Agreement on behalf of Licensee.

ARTICLE 8 REQUIREMENTS UPON LICENSEE

Licensee shall pay for the installation of the parking area (gravel or other surface), any associated maintenance of the parking, and other related expenses as set forth in detail in Exhibit "B." Licensee shall keep the Premises well-lit, secure and free from deposits of refuse, debris, garbage, waste and all other reasonably objectionable materials. The Licensee shall be responsible for the maintenance and repair of the Licensed Spaces.

ARTICLE 9 LICENSEE AS SOVEREIGN

Nothing in this License shall be construed as a waiver of Licensee's sovereign immunity.

LICENSOR:

LICENSEE:

CITY OF CELINA, TEXAS

By: _____

Title: _____



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Kim Brawner, Executive Director of Public Services
 Date: September 8, 2020
 Re: Downtown Christmas Lighting, Storage & Service

Action Requested:

Consider and act to authorize an agreement for Christmas decoration, lighting, and storage on downtown buildings with Premier Lighting Enterprises, LLC for an amount not to exceed \$75,160.00. (Berry)

Background Information:

Enhancing gathering spaces, events, and programming are predominant themes throughout the Downtown Master Plan to facilitate Downtown Celina as a destination. Enhancing Downtown during the Christmas holiday season is one of the specific action tasks to reach the goals of the Master Plan.

On August 24, 2020, the City received responses to bid 2020-0039 for rooftop building lighting around the Town Square. The bid invitation was advertised in the local paper and posted on the City's eProcurement system in which eight vendors were notified. Three submittals were received. Staff reviewed the proposals and due to the vast array of product and pricing conducted interviews to review products and options available. The evaluation committee unanimously recommends Premier Lighting.

Alternatives:

Council may reject the agreement and direct staff.

Financial Considerations:

Funding is available in the fiscal year 2021 budget through TIRZ 11. Expenditures will not exceed funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract document is being used and previously reviewed.

Supporting Documents:

Agreement and Exhibit

Staff Recommendation:

Approve award of RFP 2020-0039.

**City of Celina, Texas
Standard Contract for Services**

This Agreement is made by and between the City of Celina, Texas, a Texas home-rule municipality (hereinafter referred to as the "City") and **Premier Lighting Enterprises, LLC** (hereinafter referred to as the "Provider") for **Installation of Outdoor Building Lighting** (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Provider hereby agree as follows:

1. **EMPLOYMENT OF THE PROVIDER.** The City agrees to retain the Provider for, and the Provider agrees to provide services relative to, the following Project: **Downtown Christmas Lighting, Storage & Service Bid # 2020-0039** (hereinafter also referred to as "Services") in accordance with the terms and conditions as set forth in this Agreement and in Exhibit A, attached hereto and incorporated herein by reference.
2. **SCOPE OF SERVICES.** The Services to be performed are specified in **Exhibit A**. Deviations from the agreed-upon scope of work of such Services may be authorized from time to time by the City in writing.
3. **SCHEDULE OF WORK.** The Provider agrees to begin work upon receipt of written authorization from the City. Time is of the essence for this Agreement and work is to commence immediately.
4. **CONTRACT PERIOD.** The contract period for this Agreement is one-year from October 1, 2020 to September 30, 2021. All pricing is to remain firm during this contract period. This Agreement is renewable for up to four (4) additional one-year terms on an annual basis. Both parties must be in agreement. Provider must notify the City 120 days prior to end of the current term in the event of non-renewal.
5. **COMPENSATION.** The Provider's total compensation for services to be performed and expenses to be incurred is specified in **Exhibit A**, attached hereto and incorporated herein by reference.
6. **PAYMENTS.** Payments will be processed on a monthly basis with payment available within thirty (30) days after the City's receipt of the invoice for the previous month's Services or as set forth in **Exhibit A**.
7. **INVOICING.** Invoices should be prepared and submitted to the City for payment in accordance with Exhibit A. Invoices should be mailed to Accounts Payable, City of Celina, 142 N. Ohio, Celina, TX 75068, or emailed to accountspayable@celina.gov.
8. **RIGHTS OF WITHHOLDING.** The City may withhold any payment or partial payment otherwise due the Provider on account of unsatisfactory performance by the Provider. The amount to be withheld will be calculated based on the work not performed and the impact to the City. Any payment or partial payment that may be withheld for unsatisfactory performance can be used to remedy the lack of performance and, if so used, will not be paid to the Provider.
9. **INFORMATION PROVIDED BY THE CITY.** Although every effort has been or will be made to furnish accurate information, the City does not guarantee the accuracy of information it furnishes to the Provider.
10. **INSURANCE.** The Provider shall provide proof that it has obtained and will continue to maintain throughout the duration of this Agreement the insurance requirements set forth in Exhibit A. Failure to maintain the required insurance may result in immediate termination of this Agreement.
11. **INDEMNIFICATION.** **THE PROVIDER 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 PROVIDER, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE PROVIDER'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 PROVIDER 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 PROVIDER AS A MATTER OF LAW.

12. **TRANSFER OF INTEREST.** Neither the City nor the Provider may assign or transfer their interests in this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. This Agreement is binding on the City, the Provider, and their successors and assigns. Nothing herein is to be construed as creating a personal liability on the part of any City officer, employee or agent.
13. **AUDITS AND RECORDS.** At any time during normal business hours and as often as the City may deem necessary, the Provider shall make available to the City for examination all of its records with respect to all matters covered by this Agreement, and will permit the City to audit, examine and make copies, excerpts, or transcripts from such records. The City may also audit all contracts, invoices, payroll records of personnel, conditions of employment and other data relating to this Agreement.
14. **EQUAL EMPLOYMENT OPPORTUNITY.** The Provider shall not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, disability or any other protected characteristic. The Provider shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, sex, national origin, disability or any other protected characteristic. Such actions shall include, but not be limited to the following: employment, promotions, demotion, transfers, recruitment or recruitment advertising, layoffs, terminations, selection for training (including apprenticeships), and participation in recreational activities.

The Provider agrees to post in conspicuous places, accessible to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. The Provider will, in all solicitations or advertisements for employees placed by or on behalf of the Provider, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each sub-Provider, except that the foregoing provisions shall not apply to contracts or subcontracts for customary office supplies.

The Provider shall keep records and submit reports concerning the racial and ethnic origin(s) of applicant employment and employees as the law may require.

15. **TERMINATION OF CONTRACT.** The City may terminate this Agreement upon thirty (30) days written notice to the Provider, except in the event (i) the Provider is in breach of this Agreement, or (ii) the Provider fails to comply with the terms of Exhibit A. If either of the foregoing conditions

exists, the City shall notify the Provider and the Provider shall be given seven (7) days to cure such breach or failure to comply. Should the Provider fail to cure to the satisfaction of the City, the City may terminate this Agreement upon written notice as provided herein.

Furthermore, the City retains the right to terminate this Agreement at the expiration of each City budget period (September 30) during the term of this Agreement, even without prior notice as described in the preceding sentence.

In the event of any termination hereunder, the Provider consents to the City's selection of another Provider to assist the City in any way in completing the Services. The Provider further agrees to cooperate and provide any information requested by the City in connection with the completion of the Services.

The Provider shall be compensated for Services performed and expenses incurred for satisfactory work up to the termination date in that the Provider shall receive a portion of fees and expenses permitted under this Agreement in direct proportion to percentage of work actually completed up to the termination date. This provision shall not deprive the City of any remedies against the Provider that may be available under applicable law.

16. **PROVIDER'S REPRESENTATIONS.** The Provider hereby represents to the City that the Provider is financially solvent and possesses sufficient experience, licenses, authority, personnel, and working capital to complete the Services required under this Agreement.
17. **CITY APPROVAL FOR ADDITIONAL WORK.** No payment, of any nature whatsoever, will be made to the Provider for additional work without the City's written approval before such work begins.
18. **PERFORMANCE BY PROVIDER.** All Services provided by the Provider hereunder shall be performed in accordance with the highest professional standards and in accordance with Exhibit A, and the Provider shall be responsible for all Services provided hereunder whether such services are provided directly by the Provider or by any sub-Providers hired by the Provider. The Provider shall perform all duties and Services and make all decisions called for hereunder promptly and without unreasonable delay. The Provider shall not utilize sub-Providers to perform Services without the City's prior written consent.
19. **DAMAGE.** In all instances where City property and/or equipment is damaged by the Provider's employees, a full report of the facts, extent of the damage and estimated impact on the Provider's schedule shall be submitted to the City by 8:00 a.m. of the following City business day after the incident. If damage may result in further damages to the City or loss of City property, the Provider must notify Police Dispatch immediately. The Provider shall be fully liable for all damage to City property or equipment caused by the Provider's officers, employees, agents or sub-Providers.
20. **CITY OBJECTION TO PERSONNEL.** If at any time after entering into this Agreement, the City has any reasonable objection to any of the Provider's personnel, or any personnel retained by the Provider, then the Provider shall promptly propose substitutes to whom the City has no reasonable objection, and the Provider's compensation shall be equitably adjusted to reflect any difference in the Provider's costs occasioned by such substitution.
21. **COMPLIANCE WITH LAWS.** The Provider warrants and covenants to the City that all Services will be performed in compliance with all applicable federal, state, county and City laws, rules, and regulations including, but not limited to, the Texas Industrial Safety and Health Act and the Workers Right-to-Know Law. All necessary precautions shall be taken to assure that safety regulations prescribed by OSHA and the City are followed.
22. **NON-BINDING MEDIATION.** In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved informally by the City and the Provider, the City and the Provider agree to submit such disagreement to non-binding mediation before pursuing any other legal remedy.

23. **ENTIRE CONTRACT.** This Agreement together with Exhibit A, attached hereto and any other exhibit attached hereto contains the entire contract between the City and the Provider concerning the Services for the Project. There will be no understandings or contracts other than those incorporated herein. This Agreement may not be modified except by an instrument in writing signed by the Parties hereto. In the event of a conflict between an attachment to this Agreement and this Agreement, this Agreement shall control.
24. **MAILING ADDRESSES.** All notices and communications concerning this Agreement are to be mailed or delivered to the addresses shown below unless and until the other Party is otherwise notified in writing of a different address:

City of Celina
 Attn: Contracts
 142 N. Ohio
 Celina, TX 75009
 contracts@celina-tx.gov

Premier Lighting

Any notices and communications required to be given in writing by one Party or the other shall be considered as having been given to the addressee on the date in the notice or communication is placed in the United States Mail or hand-delivered.

25. **LEGAL CONSTRUCTION.** If any one or more of the provisions contained in this Agreement for any reason is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included.
26. **GOVERNING LAW.** The validity of this Agreement and any of its terms or provisions as well as the rights and duties of the Parties hereunder, shall be governed by and construed in accordance with Texas law. Exclusive venue for any legal action concerning this Agreement shall be located in Denton County, Texas.
27. **COUNTERPARTS.** This Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original.
28. **EFFECTIVE DATE.** This Agreement shall be effective once it is signed by the City and the Provider, as indicated below.

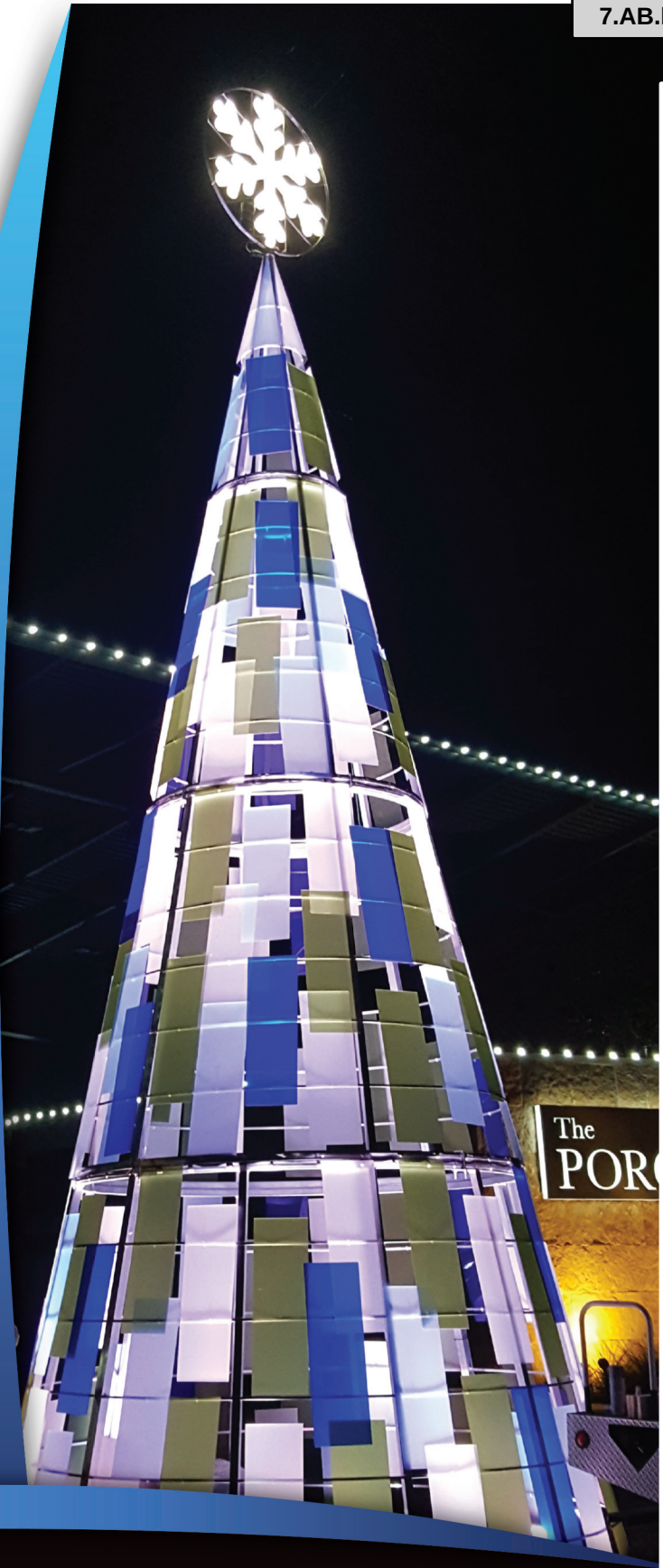
EXECUTED in single or multiple originals, this 8th day of September 2020.

CITY OF CELINA

PREMIER LIGHTING ENTERPRISES, LLC

 Jason Laumer, City Manager

 Type/Print Name and Title



Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)

Celina, Texas
CHRISTMAS LIGHTING & DECOR
Prepared by Premier Christmas



Premier Christmas is a full-service company offering a wide range of commercial Christmas lighting & décor products. We design Christmas and other seasonal decor projects, provide the product, implement with installation/take-down services, and offer annual storage of all product. Our extensive background in the Christmas industry has allowed us to serve shopping centers, malls, municipalities, theme parks, hotels, homeowners associations, and more.



@premierchristmas



premierchristmas.com



7.AB.b

Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)

Some of Premier's Valued Customers

weitzman™



RWS
Entertainment
Group



THE SHOPS AT
WILLOW BEND



The Decor
Group

HILLWOOD
A PEROT COMPANY®



J.E. KELLEHER
excellence delivered

DARYL FLOOD
relocation & logistics





CERTIFICATE OF LIABILITY INSURANCE

7.AB.b
DATE (MM/DD/YYYY)
9/25/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Benton Luttrell Company P. O. BOX 245 VAN ALSTYNE TX 75495		CONTACT NAME: Mary Ann Burton, CPCU, ARM PHONE (A/C, No, Ext): 903-482-5255 E-MAIL ADDRESS: maburton@blctx.com FAX (A/C, No): 903-482-8405	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Utica Mutual Insurance Company	
		INSURER B: Accident Fund Insurance	
		INSURER C: United Fire Group	
		INSURER D: Utica Lloyds of Texas	
		INSURER E: Utica National Insurance Company	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 954533560 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:			CPP-5090174	9/22/2019	9/22/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
E	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY ☒ Comp 1000 dd ☒ Coll 1000 dd			5172908	9/22/2019	9/22/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ HAPD \$ 135,000
A	☒ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$ 10,000			UMB-5090175	9/22/2019	9/22/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A	WCV 6173023 01	9/1/2019	9/1/2020	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Contractors Equipment			46308520	4/26/2019	4/26/2020	Leased or Rented Deductible \$250,000 \$2,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
General Liability Additional Insured 8-E-3548(TX) page 3; General Liability Additional Insured-Completed Operations CG 2037 04 13; General Liability Waiver of Subrogation 8-E-3548(TX) page 6; General Liability Primary Non Contributory CG 20 01 04 13; Auto Liability Additional Insured 8E2419(04-17) page 3; Auto Liability Waiver of Subrogation 8E2419(04-17) page 3; Workers Compensation Waiver of Subrogation WC 420304B; all are provided As Per Written Contract.
-----PLEASE SEE ATTACHED POLICY ENDORSEMENTS FOR ACTUAL WORDING-----

CERTIFICATE HOLDER	CANCELLATION
INFORMATIONAL PURPOSES ONLY	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Premier Lighting Enterprises

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☐ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► **S**

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1300 Winton Dr. #104

6 City, state, and ZIP code
Carrollton TX 75006

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - ____

or

Employer identification number

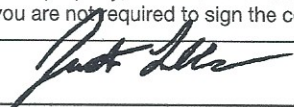
45-3461464

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ►  Date ► **3-16-2020**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



855.426.4544
PremierChristmas.com

7.AB.b



Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)



PRODUCT PURCHASE

MULTI-COLORED MINI LIGHT CURTAIN - \$14,000
(APPROX. 75,000 LED MINI LIGHTS)
*INCLUDES 7 SECTIONS ON NORTH SIDE OF ROAD
& 2 SECTIONS ON SOUTH SIDE OF ROAD

SERVICE (INSTALL, TAKE DOWN, & ANNUAL STORAGE)

MULTI-COLORED MINI LIGHT CURTAIN - \$27,000
*INCLUDES 7 SECTIONS ON NORTH SIDE OF ROAD
& 2 SECTIONS ON SOUTH SIDE OF ROAD



855.426.4544
PremierChristmas.com



Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)



855.426.4544
PremierChristmas.com

7.AB.b



REINDEER FAMILY OF 3 PHOTO OPPORTUNITY.
CAN BE PLACED NEAR THE 30' CHRISTMAS TREE OR ON THE SOUTH SIDE OF THE PAVILION IN THE LAWN AREA.

PRODUCT PURCHASE
REINDEER FAMILY OF 3 PHOTO OP. - \$2,400

SERVICE (INSTALL, TAKE DOWN, & ANNUAL STORAGE)
REINDEER FAMILY OF 3 PHOTO OP. - \$1,200

Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)



Premier Lighting & Christmas: Justin Lubbers

C: 903.714.0106 | E: justin@premier-christmas.com

Premier Crating & Assembly: Danny Watson

C: 903.267.0005 | E: danny@premierlightingenterprises.com

ESTIMATE

BILL TO The City of Celina, Texas
 142 North Ohio Street
 Celina, TX 75009

ESTIMATE	DATE	PO #	CUSTOMER NAME	EXPIRATION DATE
600878	08/31/2020		The City of Celina, Texas	09/09/2020

SERVICE DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
--------------	---------	-------------	-----	------	--------

		Installation/take-down/storage of the following City owned product:			
		-30' commercial tree & topper.			
		-Angel wing display.			
	Services	-Eight lit light pole garlands and bows on decorative light poles on interior of square.	1	12,060.00	12,060.00
		-*New to be purchased in 2020, ten unlit light pole garlands and bows for poles around outer downtown square.			
		-*New to be purchased in 2020, 12 x 36" wreaths and 4 x 48" wreaths and bows for pavilion.			

Price includes lease of all necessary materials, aerial equipment, installation, removal, and annual storage of the following:

		-Two large live-oak trees trunk and branch wrapped to foliage with an estimated 5,600 warm white minis per tree. Also, a 360 degree outside wrap of all foliage with warm white LED C9s.			
	Tree Lighting	-Two medium trees on north corners, inside of square, moderate branch wrap of entire tree with an estimated 4,200 warm white minis per tree. (Will require temporary power to be provided by others)	1	14,880.00	14,880.00
		-One medium live-oak on south side of square close to roadway. Trunk and branch wrapped to foliage with an estimate 1,400 minis, and 360 degree outside wrap of foliage with warm white C9s.			
		-Sixteen crepe myrtles (half on east and half on west side of pavilion). Trunks wrapped with warm white minis and outside canopy wrap also with warm white minis. Estimated 1,260 warm white minis per Crepe Myrtle.			

Premier Lighting Enterprises, LLC



Premier Lighting & Christmas: Justin Lubbers

C: 903.714.0106 | E: justin@premier-christmas.com

Premier Crating & Assembly: Danny Watson

C: 903.267.0005 | E: danny@premierlightingenterprises.com

Pole Garlands	Purchase of unlit garlands and 18" structured red velvet bows for ten light poles on outer portion of downtown square. (Service price listed in line item #1)	1	1,380.00	1,380.00
Decorated Wreaths	Purchase of unlit decorated wreaths with structures 18" and 12" red bows for Pavilion: -QTY (12) 36" -QTY (4) 48"	1	2,840.00	2,840.00
LED Mini Lights	Ornamentation package to be an exact match to 30' tree ornamentation. Purchase of LED miniature lights, custom fabricated bracketing, and other necessary mounting materials to build a light curtain as depicted on renderings on the the north and south side of Pecan St.	1	14,000.00	14,000.00
Services	Final color selections to be made by the City. All services associated with light curtains on north and south side of Pecan St. Includes site visits for discovery work prior to install, assembly of customized installation method, takedown, and annual storage of product.	1	27,000.00	27,000.00
Photo Opportunity	Purchase of three illuminated 2D reindeer photo-ops.	1	2,400.00	2,400.00
Services	Installation/take-down/storage of three reindeer.	1	1,200.00	1,200.00

SUBTOTAL

DISCOUNT

SALES TAX

ESTIMATE TOTAL

\$75,760.00

Attachment: Exhibit A (Downtown Christmas Lighting, Storage & Service)

DATE: _____

CUSTOMER SIGNATURE

Premier Lighting Enterprises, LLC



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Kim Brawner, Executive Director of Public Services
 Date: September 8, 2020
 Re: Building Lighting

Action Requested:

Consider and act to authorize an agreement for lighting services on downtown buildings with Premier Lighting Enterprises, LLC for an amount not to exceed \$23,363.00. (Berry)

Background Information:

The City of Celina and Main Street Program created the initiative to have Rooftop Lights in the Downtown Square with support of the building and business owners. Throughout the years, the lights have been replaced and upgraded with technological advances numerous times. The need for updated lighting and maintenance will support the character vision of the Downtown Master Plan, combining the historic feel to the core district. The service includes replacement lighting and quarterly maintenance.

On August 24, 2020, the City received responses to bid 2020-0040 for rooftop building lighting around the Town Square. The bid invitation was advertised in the local paper and posted on the City's eProcurement system in which nine vendors were notified. Five submittals were received. Staff reviewed the proposals and due to the vast array of product and pricing conducted interviews to review products and options available. The evaluation committee unanimously recommends Premier Lighting.

Alternatives:

Council may reject the award and direct staff.

Financial Considerations:

Funding is available in the fiscal year 2021 budget through TIRZ 11. Expenditures will not exceed funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract document is being used and previously reviewed.

Supporting Documents:

Agreement & Exhibit.

Staff Recommendation:

Approve award of RFP 2020-0040

**City of Celina, Texas
Standard Contract for Services**

This Agreement is made by and between the City of Celina, Texas, a Texas home-rule municipality (hereinafter referred to as the "City") and **Premier Lighting Enterprises, LLC** (hereinafter referred to as the "Provider") for **Installation of Outdoor Building Lighting** (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Provider hereby agree as follows:

1. **EMPLOYMENT OF THE PROVIDER.** The City agrees to retain the Provider for, and the Provider agrees to provide services relative to, the following Project: **Building Lighting, Bid # 2020-0040** (hereinafter also referred to as "Services") in accordance with the terms and conditions as set forth in this Agreement and in Exhibit A, attached hereto and incorporated herein by reference.
2. **SCOPE OF SERVICES.** The Services to be performed are specified in **Exhibit A**. Deviations from the agreed-upon scope of work of such Services may be authorized from time to time by the City in writing.
3. **SCHEDULE OF WORK.** The Provider agrees to begin work upon receipt of written authorization from the City. Time is of the essence for this Agreement and work is to commence immediately.
4. **CONTRACT PERIOD.** The contract period for this Agreement is one-year from October 1, 2020 to September 30, 2021. All pricing is to remain firm during this contract period. This Agreement is renewable for up to four (4) additional one-year terms on an annual basis. Both parties must be in agreement. Provider must notify the City 120 days prior to end of the current term in the event of non-renewal.
5. **COMPENSATION.** The Provider's total compensation for services to be performed and expenses to be incurred is specified in **Exhibit A**, attached hereto and incorporated herein by reference.
6. **PAYMENTS.** Payments will be processed on a monthly basis with payment available within thirty (30) days after the City's receipt of the invoice for the previous month's Services or as set forth in **Exhibit A**.
7. **INVOICING.** Invoices should be prepared and submitted to the City for payment in accordance with Exhibit A. Invoices should be mailed to Accounts Payable, City of Celina, 142 N. Ohio, Celina, TX 75068, or emailed to accountspayable@celina.gov.
8. **RIGHTS OF WITHHOLDING.** The City may withhold any payment or partial payment otherwise due the Provider on account of unsatisfactory performance by the Provider. The amount to be withheld will be calculated based on the work not performed and the impact to the City. Any payment or partial payment that may be withheld for unsatisfactory performance can be used to remedy the lack of performance and, if so used, will not be paid to the Provider.
9. **INFORMATION PROVIDED BY THE CITY.** Although every effort has been or will be made to furnish accurate information, the City does not guarantee the accuracy of information it furnishes to the Provider.
10. **INSURANCE.** The Provider shall provide proof that it has obtained and will continue to maintain throughout the duration of this Agreement the insurance requirements set forth in Exhibit A. Failure to maintain the required insurance may result in immediate termination of this Agreement.
11. **INDEMNIFICATION.** **THE PROVIDER 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 PROVIDER, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE PROVIDER'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 PROVIDER 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 PROVIDER AS A MATTER OF LAW.

12. **TRANSFER OF INTEREST.** Neither the City nor the Provider may assign or transfer their interests in this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. This Agreement is binding on the City, the Provider, and their successors and assigns. Nothing herein is to be construed as creating a personal liability on the part of any City officer, employee or agent.
13. **AUDITS AND RECORDS.** At any time during normal business hours and as often as the City may deem necessary, the Provider shall make available to the City for examination all of its records with respect to all matters covered by this Agreement, and will permit the City to audit, examine and make copies, excerpts, or transcripts from such records. The City may also audit all contracts, invoices, payroll records of personnel, conditions of employment and other data relating to this Agreement.
14. **EQUAL EMPLOYMENT OPPORTUNITY.** The Provider shall not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, disability or any other protected characteristic. The Provider shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, sex, national origin, disability or any other protected characteristic. Such actions shall include, but not be limited to the following: employment, promotions, demotion, transfers, recruitment or recruitment advertising, layoffs, terminations, selection for training (including apprenticeships), and participation in recreational activities.

The Provider agrees to post in conspicuous places, accessible to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. The Provider will, in all solicitations or advertisements for employees placed by or on behalf of the Provider, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each sub-Provider, except that the foregoing provisions shall not apply to contracts or subcontracts for customary office supplies.

The Provider shall keep records and submit reports concerning the racial and ethnic origin(s) of applicant employment and employees as the law may require.

15. **TERMINATION OF CONTRACT.** The City may terminate this Agreement upon thirty (30) days written notice to the Provider, except in the event (i) the Provider is in breach of this Agreement, or (ii) the Provider fails to comply with the terms of Exhibit A. If either of the foregoing conditions

exists, the City shall notify the Provider and the Provider shall be given seven (7) days to cure such breach or failure to comply. Should the Provider fail to cure to the satisfaction of the City, the City may terminate this Agreement upon written notice as provided herein.

Furthermore, the City retains the right to terminate this Agreement at the expiration of each City budget period (September 30) during the term of this Agreement, even without prior notice as described in the preceding sentence.

In the event of any termination hereunder, the Provider consents to the City's selection of another Provider to assist the City in any way in completing the Services. The Provider further agrees to cooperate and provide any information requested by the City in connection with the completion of the Services.

The Provider shall be compensated for Services performed and expenses incurred for satisfactory work up to the termination date in that the Provider shall receive a portion of fees and expenses permitted under this Agreement in direct proportion to percentage of work actually completed up to the termination date. This provision shall not deprive the City of any remedies against the Provider that may be available under applicable law.

16. **PROVIDER'S REPRESENTATIONS.** The Provider hereby represents to the City that the Provider is financially solvent and possesses sufficient experience, licenses, authority, personnel, and working capital to complete the Services required under this Agreement.
17. **CITY APPROVAL FOR ADDITIONAL WORK.** No payment, of any nature whatsoever, will be made to the Provider for additional work without the City's written approval before such work begins.
18. **PERFORMANCE BY PROVIDER.** All Services provided by the Provider hereunder shall be performed in accordance with the highest professional standards and in accordance with Exhibit A, and the Provider shall be responsible for all Services provided hereunder whether such services are provided directly by the Provider or by any sub-Providers hired by the Provider. The Provider shall perform all duties and Services and make all decisions called for hereunder promptly and without unreasonable delay. The Provider shall not utilize sub-Providers to perform Services without the City's prior written consent.
19. **DAMAGE.** In all instances where City property and/or equipment is damaged by the Provider's employees, a full report of the facts, extent of the damage and estimated impact on the Provider's schedule shall be submitted to the City by 8:00 a.m. of the following City business day after the incident. If damage may result in further damages to the City or loss of City property, the Provider must notify Police Dispatch immediately. The Provider shall be fully liable for all damage to City property or equipment caused by the Provider's officers, employees, agents or sub-Providers.
20. **CITY OBJECTION TO PERSONNEL.** If at any time after entering into this Agreement, the City has any reasonable objection to any of the Provider's personnel, or any personnel retained by the Provider, then the Provider shall promptly propose substitutes to whom the City has no reasonable objection, and the Provider's compensation shall be equitably adjusted to reflect any difference in the Provider's costs occasioned by such substitution.
21. **COMPLIANCE WITH LAWS.** The Provider warrants and covenants to the City that all Services will be performed in compliance with all applicable federal, state, county and City laws, rules, and regulations including, but not limited to, the Texas Industrial Safety and Health Act and the Workers Right-to-Know Law. All necessary precautions shall be taken to assure that safety regulations prescribed by OSHA and the City are followed.
22. **NON-BINDING MEDIATION.** In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved informally by the City and the Provider, the City and the Provider agree to submit such disagreement to non-binding mediation before pursuing any other legal remedy.

23. **ENTIRE CONTRACT.** This Agreement together with Exhibit A and B, attached hereto and any other exhibit attached hereto contains the entire contract between the City and the Provider concerning the Services for the Project. There will be no understandings or contracts other than those incorporated herein. This Agreement may not be modified except by an instrument in writing signed by the Parties hereto. In the event of a conflict between an attachment to this Agreement and this Agreement, this Agreement shall control.
24. **MAILING ADDRESSES.** All notices and communications concerning this Agreement are to be mailed or delivered to the addresses shown below unless and until the other Party is otherwise notified in writing of a different address:

City of Celina
 Attn: Contracts
 142 N. Ohio
 Celina, TX 75009
 contracts@celina-tx.gov

Premier Lighting

Any notices and communications required to be given in writing by one Party or the other shall be considered as having been given to the addressee on the date in the notice or communication is placed in the United States Mail or hand-delivered.

25. **LEGAL CONSTRUCTION.** If any one or more of the provisions contained in this Agreement for any reason is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included.
26. **GOVERNING LAW.** The validity of this Agreement and any of its terms or provisions as well as the rights and duties of the Parties hereunder, shall be governed by and construed in accordance with Texas law. Exclusive venue for any legal action concerning this Agreement shall be located in Denton County, Texas.
27. **COUNTERPARTS.** This Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original.
28. **EFFECTIVE DATE.** This Agreement shall be effective once it is signed by the City and the Provider, as indicated below.

EXECUTED in single or multiple originals, this 8th day of September 2020.

CITY OF CELINA

PREMIER LIGHTING ENTERPRISES, LLC

 Jason Laumer, City Manager

 Type/Print Name and Title

Attachment: Agreement - Building Lighting (Downtown Building Lightening 2020-0040)

PREMIER LIGHTING



Celina, Texas

LIGHTING PROPOSAL

Prepared by Premier Lighting

Attachment: Exhibit A - Light Final (Downtown Building Lightening 2020-0040)



Premier Lighting offers turn-key lighting solutions to business owners, homeowners, municipalities, property managers, and more. We design and install both temporary and permanent lighting displays, and maintain existing lighting systems. Premier Lighting offers only the highest quality products on the market. All of our installs are done with energy efficient LED lighting, which comes with a warranty. Premier Lighting serves not only as designers and installers for new lighting projects, but also as energy consultants for existing lighting systems. It's a top priority of ours to save customers money on electricity.

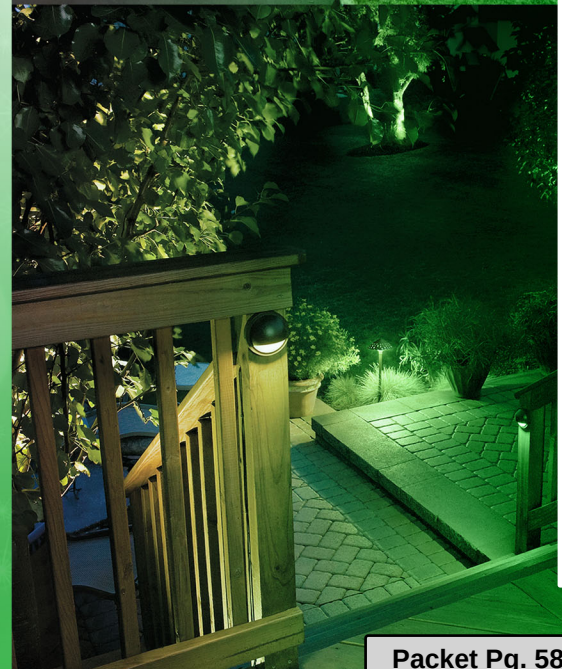
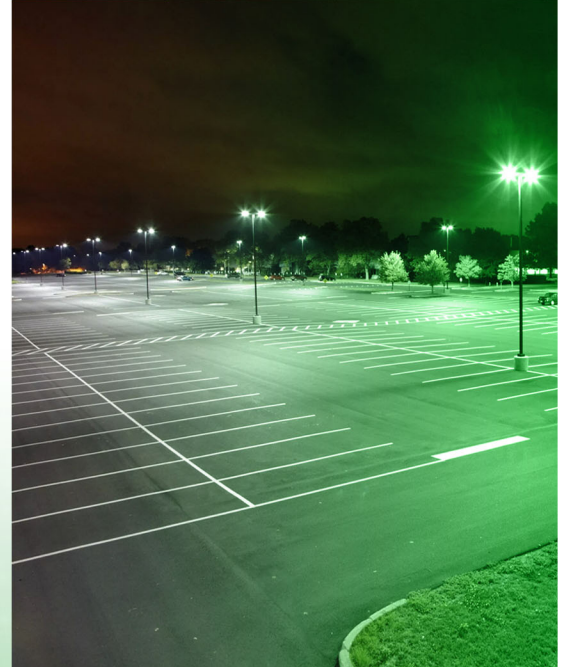


@premierlightingenterprises



premierlightingenterprises.com

7.AC.b



Attachment: Exhibit A - Light Final (Downtown Building Lightening 2020-0040)

Some of Premier's Valued Customers

weitzman™



RWS
Entertainment
Group



THE SHOPS AT
WILLOW BEND



The Decor
Group

HILLWOOD
A PEROT COMPANY®



J.E. KELLEHER
excellence delivered

DARYL FLOOD
relocation & logistics





CERTIFICATE OF LIABILITY INSURANCE

7.AC.b
DATE (MM/DD/YYYY)
9/25/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement of this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Benton Luttrell Company P. O. BOX 245 VAN ALSTYNE TX 75495		CONTACT NAME: Mary Ann Burton, CPCU, ARM PHONE (A/C, No, Ext): 903-482-5255 E-MAIL ADDRESS: maburton@blctx.com FAX (A/C, No): 903-482-8405		
INSURED Premier Lighting Enterprises, LLC 1300 Hutton Drive, #104 Carrollton TX 75006		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Utica Mutual Insurance Company		
		INSURER B: Accident Fund Insurance		10166
		INSURER C: United Fire Group		13021
		INSURER D: Utica Lloyds of Texas		
		INSURER E: Utica National Insurance Compa		43478
		INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 954533560 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC ☐ OTHER:			CPP-5090174	9/22/2019	9/22/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
E	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY ☒ Comp 1000 dd ☒ Coll 1000 dd			5172908	9/22/2019	9/22/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ HAPD \$ 135,000
A	☒ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$ 10,000			UMB-5090175	9/22/2019	9/22/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A	WCV 6173023 01	9/1/2019	9/1/2020	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Contractors Equipment			46308520	4/26/2019	4/26/2020	Leased or Rented Deductible \$250,000 \$2,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
General Liability Additional Insured 8-E-3548(TX) page 3; General Liability Additional Insured-Completed Operations CG 2037 04 13; General Liability Waiver of Subrogation 8-E-3548(TX) page 6; General Liability Primary Non Contributory CG 20 01 04 13; Auto Liability Additional Insured 8E2419(04-17) page 3; Aut Liability Waiver of Subrogation 8E2419(04-17) page 3; Workers Compensation Waiver of Subrogation WC 420304B; all are provided As Per Written Contract.
-----PLEASE SEE ATTACHED POLICY ENDORSEMENTS FOR ACTUAL WORDING-----

CERTIFICATE HOLDER	CANCELLATION
INFORMATIONAL PURPOSES ONLY	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Premier Lighting Enterprises	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► S Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ►	Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
5 Address (number, street, and apt. or suite no.) See instructions. 1300 Winton Dr. #104	Requester's name and address (optional)
6 City, state, and ZIP code Carrollton TX 75006	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-			-		
or									
Employer identification number									
45	-	3461464							

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ► 3-16-2020
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

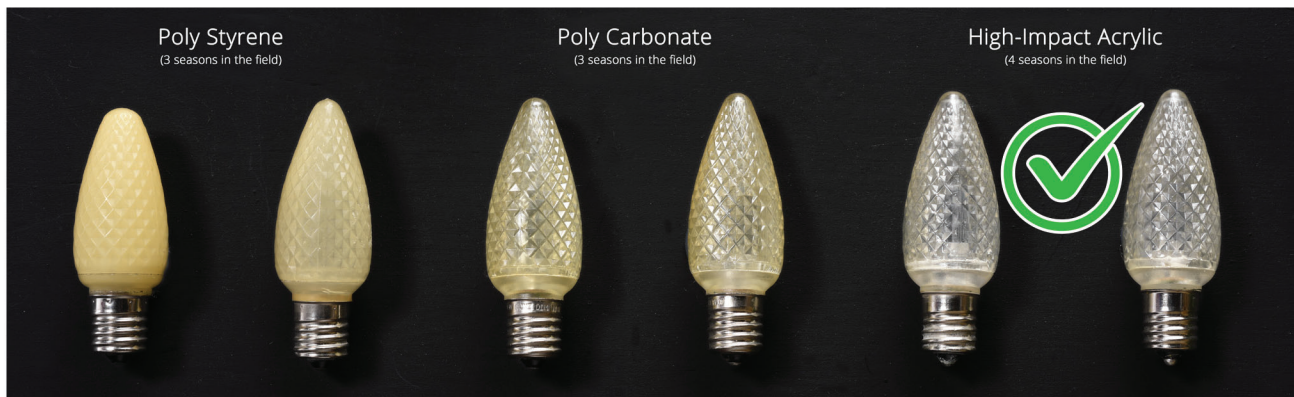
LIGHTING OPTION

Acrylic Shell, Warm White LED C9 Lighting - On all building rooflines as outlined by The City.

Premier Christmas installs hundreds of thousands of feet of C9 lighting each year for both long term and seasonal applications. We have perfected the installation methods for the use of C9 lighting in downtown areas and on the various roofline structures that are encountered within typical downtown areas.

KEY POINTS:

- Least intrusive and lowest cost
- Minimal maintenance
- Traditional
- Not programmable



C9 bulbs with an acrylic shell endure the intense UV rays of the Texas sun without fading like you see with standard polystyrene or polycarbonate C9 bulbs.



Premier Lighting & Christmas: Justin Lubbers

C: 903.714.0106 | E: justin@premier-christmas.com

Premier Crating & Assembly: Danny Watson

C: 903.267.0005 | E: danny@premierlightingenterprises.com

ESTIMATE

BILL TO The City of Celina, Texas
 142 North Ohio Street
 Celina, TX 75009

ESTIMATE	DATE	PO #	CUSTOMER NAME	EXPIRATION DATE
600877	08/31/2020		The City of Celina, Texas	09/30/2020

SERVICE DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
		Purchase of warm white LED C9 lighting to line the rooftops of all buildings specified in the RFP. Includes:			
	LED C9 Roof Lighting	-acrylic shell C9s -Socket line -Wire/plugs to run to power -Mounting components	1	7,234.00	7,234.00
	Services	Removal/disposal of existing C9 lighting, and installation of new product where specified in the RFP.	1	10,511.00	10,511.00
		Purchase of warm white LED C9 lighting to line the perimeter edges and upper and lower level roofline ridges of pavilion. Includes:			
	LED C9 Roof Lighting	-acrylic shell C9s -Socket line -Wire/plugs to run to power -Mounting components	1	768.00	768.00
	Services	Removal/disposal of existing C9 lighting, and installation of new product. Includes aerial equipment which will be required to install lights on top level.	1	1,850.00	1,850.00
		YEAR ONE: Quarterly Maintenance within the first 15 days of each quarter, \$750 per quarter (\$3,000 per year), billable after service each quarter.			
	Quarterly Maintenance	Service to include visual inspections, bulb replacement, and resealing of light strands/cords.	1	3,000.00	3,000.00

Not included in ordinary service would be large scale service needs resulting from theft, malice, severe weather events, or other acts of god.

Attachment: Exhibit A - Light Final (Downtown Building Lightening 2020-0040)

Premier Lighting Enterprises, LLC



Premier Lighting & Christmas: Justin Lubbers

C: 903.714.0106 | E: justin@premier-christmas.com

Premier Crating & Assembly: Danny Watson

C: 903.267.0005 | E: danny@premierlightingenterprises.com

YEAR TWO: Quarterly Maintenance within the first 15 days of each quarter, \$750 per quarter (\$3,000 per year), billable after service each quarter.

Quarterly Maintenance	Service to include visual inspections, bulb replacement, and resealing of light strands/cords.	1	3,000.00	3,000.00
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Not included in ordinary service would be large scale service needs resulting from theft, malice, severe weather events, or other acts of god.

YEAR THREE: Quarterly Maintenance within the first 15 days of each quarter, \$750 per quarter (\$3,000 per year), billable after service each quarter.

Quarterly Maintenance	Service to include visual inspections, bulb replacement, and resealing of light strands/cords.	1	3,000.00	3,000.00
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Not included in ordinary service would be large scale service needs resulting from theft, malice, severe weather events, or other acts of god.

YEAR FOUR: Quarterly Maintenance within the first 15 days of each quarter, \$750 per quarter (\$3,000 per year), billable after service each quarter.

Quarterly Maintenance	Service to include visual inspections, bulb replacement, and resealing of light strands/cords.	1	3,000.00	3,000.00
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Not included in ordinary service would be large scale service needs resulting from theft, malice, severe weather events, or other acts of god.

YEAR FIVE: Quarterly Maintenance within the first 15 days of each quarter, \$750 per quarter (\$3,000 per year), billable after service each quarter.

Quarterly Maintenance	Service to include visual inspections, bulb replacement, and resealing of light strands/cords.	1	3,000.00	3,000.00
-----------------------	--	---	----------	----------

Not included in ordinary service would be large scale service needs resulting from theft, malice, severe weather events, or other acts of god.



Premier Lighting & Christmas: Justin Lubbers
Premier Crating & Assembly: Danny Watson

C: 903.714.0106 | E: justin@premier-christmas.com
C: 903.267.0005 | E: danny@premierlightingenterprises.com

SUBTOTAL	
DISCOUNT	
SALES TAX	
ESTIMATE TOTAL	\$35,363.00

CUSTOMER SIGNATURE

DATE:

Attachment: Exhibit A - Light Final (Downtown Building Lightening 2020-0040)



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Andy Glasgow, Asst Director of Engineering
 Date: September 8, 2020
 Re: Louisiana Phase I, WA#2020-0008

Action Requested:

Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on Louisiana Drive (B 289 between Malne Dr and CR 99) (Phase I) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$331,000.00. (Berry)

Background Information:

This Project includes the design of approximately 10,600 linear feet of 18-inch water line along Louisiana Drive (BUS 289) from an existing 6-inch water line 2,600 linear feet south of County Road 95, north to County Road 99. The proposed water line will be located outside the future Louisiana Drive (BUS 289) right-of-way (ROW) within a dedicated easement along the east side of the road for the alignment north of CR 95 and within a dedicated easement along the west side of the road for the alignment south of CR 95.

In addition to design services, the Project includes survey, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), environmental services, bid phase services, construction phase services, and the preparation of record documents.

The City maintains an executed Master Service Agreement with Kimley Horn to provide on-call engineering services. Staff has requested Kimley Horn provide services for the above scope of services.

Alternatives:

Council may reject authorization of the agreement and direct staff.

Financial Considerations:

Funding is available in the current budget and will be tracked in Project W39. Expenditures will not exceeds funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract documents have been used and previously reviewed.

Supporting Documents:

Agreement and Scope of Work

Staff Recommendation:

Authorize work order 2020-0008



MASTER SERVICE AGREEMENT (MSA) TASK ORDER

Work Authorization No. **2020-0008**

Pursuant and subject to the above captioned MSA dated January 15, 2019 between the City of Celina, Texas and Kimley-Horn and Associates, Inc., the City of Celina hereby requests that CONSULTANT performs the work described below upon the terms set forth:

Work Site: Louisiana Drive (Business Highway 289) 18-inch Water Line – Phase I

Work to be performed: Refer to Attachment “A”

Date and Time to Commence: Within receipt of execution of contract

Date and Time to Complete: Refer to Attachment “B”

Invoice Mailing Instructions:

City of Celina
Attn: Andy Glasgow, P.E.
Director of Engineering
142 N Ohio
Celina, TX 75009
aglasgow@celina-tx.gov

Other Requirements or Variance from MSA (if any):
N/A

CONSULTANT PROVIDED INFORMATION:

Compensation:

II. Basic Services (Lump Sum)

A. Survey	\$30,000
B. Preliminary Design (60%)	\$100,000
C. Final Design (90%, 100%)	\$90,000
D. Environmental	\$15,000
E. Record Documents	\$15,000
Basic Services Total (Lump Sum)	\$250,000

Attachment: 2020 Task Order 2020-0008 (Louisiana Drive Water Line Phase I (W39))

Work Authorization _____
August 11, 2020

III. Special Services (Cost Plus Not to Exceed)

A. Bid Phase Services	\$8,000
B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"	\$30,000
C. Easement Instruments of Conveyance	\$15,000
D. Construction Phase Services	\$21,000
E. Franchise Utility Permitting	\$7,000
Special Services Total (Cost Plus, Not to Exceed)	\$81,000
 Project Budget, Grand Total (Not to Exceed)	 \$331,000

ACCEPTANCE:

The foregoing TASK ORDER is accepted on the terms set forth as indicated by the signatures below.

Consultant:

L. Nathan Ante
L. Nathan Ante, P.E.
Vice President

08/20/2020
Date

City Representative:

Dawn Berry
Purchasing Manager

Date

Council Approval: September 8, 2020
Project: W39

Attachment: 2020 Task Order 2020-0008 (Louisiana Drive Water Line Phase I (W39))

ATTACHMENT “A” SERVICES TO BE PROVIDED BY KIMLEY-HORN

I. PROJECT DESCRIPTION

This Project includes the design of approximately 10,600 linear feet of 18-inch water line along Louisiana Drive (BUS 289) from an existing 6-inch water line 2,600 linear feet south of County Road 95, north to County Road 99. The proposed water line will be located outside the future Louisiana Drive (BUS 289) right-of-way (ROW) within a dedicated easement along the east side of the road for the alignment north of CR 95 and within a dedicated easement along the west side of the road for the alignment south of CR 95.

In addition to design services, the Project includes survey, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), environmental services, bid phase services, construction phase services, and the preparation of record documents.

II. TASK SUMMARY, BASIC SERVICES

A. Survey

- a. Data Collection and Property Research
 - i. Gather existing right-of-way, easement, plat, and property information along Louisiana Drive (BUS 289) from approximately 2,600-feet south of County Road 95, north to County Road 99. Undocumented easements may not be identified. Title research may be performed as an *Additional Service* only upon written City authorization.
 - ii. City to provide record drawing information for City infrastructure and development record plans along Louisiana Drive (BUS 289) within project limits.
 - iii. Coordinate with Texas 811 to locate and mark existing franchise and public utilities prior to performing the field survey.
 - iv. Arrange and make provisions for access to perform the services specified within this scope.
- b. Right of Entry – Prior to initiating field surveying operations on private property, the CONSULTANT shall assist the CITY in sending letters to all adjacent property owners notifying them of the intent to survey on private property. The CONSULTANT shall provide the CITY with the name, address, and contact information of the property owners, as well as the property addresses of the affected property. Written permission to survey on private property shall be obtained from the property owner(s) before surveying is commenced. The letter of permission shall include permission for the CONSULTANT to set iron pins and control monuments for future right-of-way and/or easements to be acquired by the CITY if necessary at a later date.
- c. Perform Topographic Survey, locating surface features including trees greater than 6-inches in diameter.

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- i. Survey width shall be from centerline of the existing road to 100-feet east of centerline for the alignment north of CR 95 and 100-feet west of centerline for the alignment south of CR 95, at 50-foot intervals to accurately determine the extents of the existing and future ROW along the east side of the road, and additional area outside the future ROW for dedicated water line easements and temporary construction easements.
- ii. Perform field survey ground control.
- d. Review topographic survey, available records from the City, TxDOT, Marilee Special Utility District (SUD), and information gathered from the franchise utilities.
- e. Compile above information into a base file to be used for design.
- f. Base file will be in AutoCAD Civil 3D.
- g. Provide base files to other consultants, engineers, and contractors who may be performing work for the City or adjacent to the Project, only upon City request.
- h. Prepare easement map plan sheets at 1"=50' scale (11"x17") for the plan set.
- i. Update the easement plan sheets to include the finalized/reconciled easements after completion of negotiations and acquisition, if applicable.

B. Preliminary Design (60%)

- a. Project Management and Administration.
 - i. Develop project production plan and schedule.
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Data Collection
 - v. Coordination with City.
 - vi. Coordination with subconsultants.
 - vii. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - viii. Coordination with TxDOT.
 - ix. Coordination with Marilee SUD
 - x. Franchise Utility Coordination.
 - a. Provide design data to franchisees.
 - b. Identify potential franchise utility conflicts and possible relocation requirements.
 - xi. Prepare meeting agendas, summaries, and progress reports.
 - xii. Project correspondence and invoicing.
 - xiii. Quality control and internal plan reviews.
- b. General Plans
 - i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, project layout and applicable City and TxDOT standard details.
- b. Plan & Profile Drawings
 - i. Prepare horizontal and vertical alignments for proposed water line.
 - ii. Identify horizontal and vertical clearances and conflicts
 - iii. Identify easement requirements
- c. Compile and prepare a preliminary opinion of probable construction cost.

Work Authorization _____
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- d. Prepare Preliminary Project Manual, including bidding requirements, proposal, bid schedule, special conditions, and technical specifications. Technical Specifications are anticipated to include the following:
 - i. Ductile Iron Fittings
 - ii. Butterfly Valve
 - iii. Resilient Seat Gate Valve
 - iv. Auger Boring
 - v. Installation of Carrier Pipe in Casing Pipe
 - vi. Steel Casing
 - vii. Contact Grouting
 - viii. Controlled Low Strength Material
 - ix. Trench Safety
 - x. Hydrostatic Testing and Disinfection
 - xi. Trenching, Backfilling, and Compaction
 - xii. Connect to Existing Water Line
 - xiii. Expansion Joints, Couplings, and Tapping Sleeves
 - xiv. Air Release/Vacuum Valve
 - xv. Erosion and Sedimentation Controls
 - xvi. Seeding/Sodding of Lawns or Disturbed Areas
 - xvii. Fire Hydrants
 - xviii. Site Preparation/Tree Protection
 - xix. Clearing
- e. Preliminary design submittal (60%) to include:
 - i. Submit up to two (2) half size (11"x17") plans and electronic file (PDF) to the City.
 - ii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets at 1"=40' horizontal and 1"=4' vertical scales
 - e. Standard and Special Details
 - f. Preliminary Project Manual.
 - g. Preliminary opinion of probable construction cost.

C. Final Design (90%, 100%)

- a. Project Management and Administration.
 - i. Update project schedule.
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Coordination with City.
 - v. Coordination with subconsultants.
 - vi. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - vii. Coordination with TxDOT.
 - viii. Coordination with Marilee SUD
 - ix. Franchise Utility Coordination.

Work Authorization _____
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- x. Prepare meeting agendas, summaries, and progress reports.
- xi. Project correspondence and invoicing.
- xii. Quality control and internal plan reviews.
- b. General Plans
 - i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, project layout and applicable City and TxDOT standard details.
- c. Plan and Profile Drawings
 - i. Finalize water plan and profile design and sheets.
 - ii. Plan view shall include design notes for stationing, connections, tees, fire hydrants, valves, manholes, air release valves, blowoff valves and horizontal bends.
 - iii. Profile shall include design notes for stationing, size, slope, flow lines, pipe material, embedment, length and construction method.
 - iv. Compile applicable City standard details. Modify standard details as needed.
- d. Traffic Control Plans
 - i. Prepare construction sequencing, traffic control and/or access plan.
 - ii. Compile applicable TxDOT and City standard details.
- e. Erosion Control.
 - i. Prepare erosion control plan sheets at 1"=100' scale (11"x17").
 - ii. Erosion control sheets will specify sediment control fence, inlet protection, rock check dams, sod, and seed locations.
 - iii. Compile applicable TxDOT standards.
- f. Finalize Project Manual.
- g. Finalize quantity summaries (pay item listings) and update the overall opinion of probable construction cost.
- h. Final Design submittal to include:
 - i. Incorporate the Preliminary Design (60%) design review comments.
 - ii. Submit two (2) half size (11"x17") plans and PDF electronic file of the plans & project manual to the City.
 - iii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets
 - e. Traffic Control Plan
 - f. Erosion Control Plan
 - g. Standard and Special Details
 - h. Project Manual.
 - i. Opinion of probable construction costs.

D. Environmental

This task involves preparing a Nationwide Permit (NWP) 12 for submittal to the USACOE for construction activities near creeks. The scope assumes this project will not trigger preconstruction notification and a NWP 12 with no notification will be sufficient. If preconstruction notification is required then additional services will

Attachment: 2020 Task Order 2020-0008 (Louisiana Drive Water Line Phase I (W39))

Work Authorization _____
August 11, 2020

be required.

Consultant will submit to the Client a descriptive memo regarding the use of NWP 12 Utility Line Activities under a no notification scenario. This Scope is based on the understanding proposed impacts to waters of the US are temporary and preconstruction contours will be restored below the Ordinary High Water Mark.

Consultant will prepare a memo discussing Corps Section 404 Permitting under a 'no notification' scenario that will include a description of selected General Conditions as well as a suggested list of BMPs required for compliance with TCEQ water quality certification. This memo can be used to document this permitting scenario and to provide the selected contractor with information relating to permit compliance. Though no coordination with the Corps is proposed, the activity will be authorized under a Federal permit. All terms and conditions of the permit must be met

- a. Brief project description, including site sketches, as it relates to proposed impacts to waters of the US;
- b. Site visit photographs to document existing/preconstruction conditions;
- c. A copy of the NWP 12 permit language with General Conditions;
- d. State Water Quality Certifications and Conditions;
- e. NWP Regional Conditions for Texas;
- f. Cultural Resources information from readily available databases;
- g. Threatened and Endangered Species information from readily available databases.

One site visit by a qualified professional wetland scientist is included in this task to gather information for the memo.

E. Record Documents

- a. Consultant shall prepare construction Record Documents based on the information received from Contractor in accordance with the Agreement.

III. TASK SUMMARY, SPECIAL SERVICES

A. Bid Phase Services

- a. Bid Documents submittal to include:
 - i. Prepare plan set and Project Manual for electronic bidding (.pdf) and submit to City.
 - ii. Print one (1) 11"x17" set and one (1) Project Manual/s for City's use.
 - iii. Furnishing additional hardcopies of review documents and/or bid documents in excess of the number of the same identified above will be considered as *Additional Services*.
- b. Prepare for and conduct a pre-bid meeting with prospective bidders, if needed.
- c. Issue addenda as appropriate to interpret, clarify, or expand the Bid Documents.

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- d. Prepare a letter addressing the award of the construction contract.
- e. Provide a schedule of submittals (shop drawings, etc.) required of the contractor.
- f. Conformed Document submittal:
 - i. Update the Bid Documents (plans and Project Manual) to incorporate bid addenda items
 - ii. Print up to four (4) sets 11"x17" plans and two (2) Project Manuals for issuance at the Pre-Construction Conference.
 - iii. Package and submit CAD base files upon request.

B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"

This Task shall be used on an as-needed basis, at the discretion of the City. Tasks may include:

- a. After survey is complete and during Preliminary Design, identify possible conflict locations to perform SUE.
- b. Upon City authorization, perform SUE Quality Level "B" using geophysical prospecting equipment to identify City and franchised utilities at critical locations identified during design and/or construction.
- c. Upon City authorization, perform SUE Quality Level "A" using non-destructive vacuum excavation equipment to expose City and franchised utilities at critical locations, identified during design or construction, up to four (4) test hole locations which will then be field surveyed.
- d. Evaluate the SUE results and provide a summary of potential utility conflicts to the City
- e. Provide the SUE results to the affected franchisees for their use in relocation efforts.

C. Easement Instruments of Conveyance

- a. Prepare up to ten (10) easement instruments for acquisition purposes (narrative and graphic exhibits of easements required for water and temporary construction easement).
- b. Individual parcel exhibits shall be on 8 ½" x 11" paper, shall be sealed, dated, and signed by a Registered Professional Land Surveyor and shall contain the following:
 - i. Parcel number.
 - ii. Area required.
 - iii. Area remaining.
 - iv. Legal description.
 - v. Current owner.
 - vi. Any existing platted easement or easements filed by separate instrument including easements provided by utility companies.
 - vii. Metes and bounds description of parcel to be acquired. The description shall be provided on a separate sheet from the exhibit. Each type of easement shall be described separately.

D. Construction Phase Services

The Scope of Services listed below may or may not be performed as part of our construction phase services. Kimley-Horn's role during construction will be provided upon request of the City and billed on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this task is based upon approximately 90 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City.

- a. Site Visits upon request
- b. *Pre-Construction Meeting*. Attend Pre-Construction Meeting(s) prior to commencement of Work at the Site
- c. *Franchise Utility Coordination*. Assist the City with franchise utility coordination efforts and conflict resolution during construction.
- d. *Clarifications and Interpretations*. Issue clarifications and interpretations of the Contract Documents to City as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by City.
- e. *Change Orders*. Recommend Change Orders to City, as appropriate. Review and make recommendations related to Change Orders submitted or proposed by the Contractor. Task includes preparing plan sheet revisions.
- f. *Shop Drawings and Samples*. Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
- g. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
- h. *Disagreements between City and Contractor*. As necessary, render written decision on all claims of City and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such decisions, KHA shall be fair and not show partiality to City or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
- i. *Limitation of Responsibilities*. Consultant shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Consultant shall not have the authority or responsibility to stop the work of any Contractor.

Work Authorization _____
August 11, 2020

E. Franchise Utility Permitting

The proposed Project is anticipated to impact existing franchise utility facilities and their respective easements which may require (a) encroachment agreements and/or permits, (b) relocation of one or more of the franchise utilities, or (c) combination of encroachment agreement and/or permit and relocation. This Task is to assist the City in coordination efforts, preparation of necessary exhibits and documentation for the encroachment agreements and/or permitting.

Consultant will assist upon request of the City and bill on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this Task is based upon approximately 30 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City. All fees associated with encroachment agreement and permitting will be paid by the City.

IV. ITEMS NOT INCLUDED IN THE EXISTING SCOPE OF SERVICES

- A. **Additional Services not included in the existing Scope of Services** – City and Consultant agree that the following services are beyond the Scope of Services described in the tasks above. However, Consultant can provide these services, if needed, upon the City's written request. Any additional amounts paid to the Consultant as a result of any material change to the Scope of the Project shall be agreed upon in writing by both parties before the services are performed. These Additional Services include the following:

1. Computer Modeling
2. Surge Analysis
3. Construction Staking.
4. Environmental Services beyond those identified in the Scope of Services.
5. Title Research.
6. Traffic Simulations and/or Traffic Studies.
7. Franchise Utility Design.
8. Construction Inspection

- End of Scope of Services -

Attachment: 2020 Task Order 2020-0008 (Louisiana Drive Water Line Phase I (W39))

Attachment "B" Schedule

City of Celina - Louisiana Drive (Business Highway 289) 18-inch Water Line – Phase I

Updated: June 23, 2020

	Year 1												Year 2											
	Month																							
Key Task Name	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Notice to Proceed	★																							
Design Phase (8 Months)																								
Survey																								
60% Design & Submittal				★																				
City Review																								
95% Design & Submittal							★																	
City Review																								
Final Design & Submittal																								
Environmental (1 Month)																								
Nationwide 12 Permit Memo																								
Easements (4 Months)																								
Easement Acquisition																								
Subsurface Utility Engineering (2 Months)																								
SUE Quality Level "B" and "A" (if needed)																								
Bidding Phase (2 Months)																								
Bidding & Addenda																								
Award Construction Contract																								
Construction Phase (9 Months)																								
Construction																								

Attachment: 2020 Task Order 2020-0008 (Louisiana Drive Water Line Phase I (W39))



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Andy Glasgow, Asst Director of Engineering
 Date: September 8, 2020
 Re: Louisiana Water Line Phase III, Project W41

Action Requested:

Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on Louisiana Drive (B 289 between CR 99 and North Preston lakes) (Phase III) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$170,500.00. (Berry)

Background Information:

This Project includes the design of approximately 4,700 linear feet of 18-inch water line along Louisiana Drive (BUS 289) from County Road 99, north to East Carthage Road. The proposed water line will be located outside the future Louisiana Drive (BUS 289) right-of-way (ROW) within a dedicated easement along the east side of the road for the full alignment..

In addition to design services, the Project includes survey, a pressure reducing valve at the pressure plane boundary, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), bid phase services, construction phase services, geotechnical investigation and the preparation of record documents.

The City maintains an executed Master Service Agreement with Kimley Horn to provide on-call engineering services. Staff has requested Kimley Horn provide services for the above scope of services

Alternatives:

Council may reject the agreement and direct staff.

Financial Considerations:

Funding is available in the current budget and will be tracked in Project W41. Expenditures will not exceeds funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract documents have been used and previously reviewed.

Supporting Documents:

Agreement

Staff Recommendation:

Approve work order 2020-0010



MASTER SERVICE AGREEMENT (MSA) TASK ORDER

Work Authorization No. ____

Pursuant and subject to the above captioned MSA dated January 15, 2019 between the City of Celina, Texas and Kimley-Horn and Associates, Inc., the City of Celina hereby requests that CONSULTANT performs the work described below upon the terms set forth:

Work Site: Louisiana Drive (Business Highway 289) 18-inch Water Line – Phase III

Work to be performed: Refer to Attachment “A”

Date and Time to Commence: Within receipt of execution of contract

Date and Time to Complete: Refer to Attachment “B”

Invoice Mailing Instructions:

City of Celina
Attn: Andy Glasgow, P.E.
Director of Engineering
142 N Ohio
Celina, TX 75009
aglasgow@celina-tx.gov

Other Requirements or Variance from MSA (if any):
N/A

CONSULTANT PROVIDED INFORMATION:

Compensation:

II. Basic Services (Lump Sum)

A. Survey	\$15,000
B. Preliminary Design (60%)	\$42,000
C. Final Design (90%, 100%)	\$41,000
D. Record Documents	\$7,000
E. Geotechnical Investigation	\$15,000
Basic Services Total (Lump Sum)	\$120,000

Work Authorization _____
August 11, 2020

III. Special Services (Cost Plus Not to Exceed)

A. Bid Phase Services	\$8,000
B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"	\$20,000
C. Easement Instruments of Conveyance	\$1,500
D. Construction Phase Services	\$14,000
E. Franchise Utility Permitting	<u>\$7,000</u>
Special Services Total (Cost Plus, Not to Exceed)	\$50,500

Project Budget, Grand Total (Not to Exceed) \$170,500

ACCEPTANCE:

The foregoing TASK ORDER is accepted on the terms set forth as indicated by the signatures below.

Consultant:



L. Nathan Ante, P.E.
Vice President

08/20/2020
Date

City Representative:

Dawn Berry
Purchasing Manager

Date

Attachment: 2020 Task Order 2020-0010 - Louisiana Phase III (Louisiana Drive Water Line Phase III (W41))

ATTACHMENT "A" SERVICES TO BE PROVIDED BY KIMLEY-HORN

I. PROJECT DESCRIPTION

This Project includes the design of approximately 4,700 linear feet of 18-inch water line along Louisiana Drive (BUS 289) from County Road 99, north to East Carthage Road. The proposed water line will be located outside the future Louisiana Drive (BUS 289) right-of-way (ROW) within a dedicated easement along the east side of the road for the full alignment..

In addition to design services, the Project includes survey, a pressure reducing valve at the pressure plane boundary, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), bid phase services, construction phase services, geotechnical investigation and the preparation of record documents.

II. TASK SUMMARY, BASIC SERVICES

A. Survey

- a. Data Collection and Property Research
 - i. Gather existing right-of-way, easement, plat, and property information along Louisiana Drive (BUS 289) from County Road 99, north to East Carthage Road. Undocumented easements may not be identified. Title research may be performed as an *Additional Service* only upon written City authorization.
 - ii. City to provide record drawing information for City infrastructure and development record plans along Louisiana Drive (BUS 289) within project limits.
 - iii. Coordinate with Texas 811 to locate and mark existing franchise and public utilities prior to performing the field survey.
 - iv. Arrange and make provisions for access to perform the services specified within this scope.
- b. Right of Entry – Prior to initiating field surveying operations on private property, the CONSULTANT shall assist the CITY in sending letters to all adjacent property owners notifying them of the intent to survey on private property. The CONSULTANT shall provide the CITY with the name, address, and contact information of the property owners, as well as the property addresses of the affected property. Written permission to survey on private property shall be obtained from the property owner(s) before surveying is commenced. The letter of permission shall include permission for the CONSULTANT to set iron pins and control monuments for future right-of-way and/or easements to be acquired by the CITY if necessary at a later date.
- c. Perform Topographic Survey, locating surface features including trees greater than 6-inches in diameter.
 - i. Survey width shall be from centerline of the existing road to 100-feet east of centerline, at 50-foot intervals to accurately determine the extents of the existing and future ROW along the east side of the road, and additional area

Work Authorization _____
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- outside the future ROW for dedicated water line easements and temporary construction easements.
- ii. Perform field survey ground control.
- d. Review topographic survey, available records from the City, TxDOT, Marilee Special Utility District (SUD), and information gathered from the franchise utilities.
- e. Compile above information into a base file to be used for design.
- f. Base file will be in AutoCAD Civil 3D.
- g. Provide base files to other consultants, engineers, and contractors who may be performing work for the City or adjacent to the Project, only upon City request.
- h. Prepare easement map plan sheets at 1"=50' scale (11"x17") for the plan set.
- i. Update the easement plan sheets to include the finalized/reconciled easements after completion of negotiations and acquisition, if applicable.

B. Preliminary Design (60%)

- a. Project Management and Administration.
 - i. Develop project production plan and schedule
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Data Collection.
 - v. Coordination with City.
 - vi. Coordination with subconsultants.
 - vii. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - viii. Coordination with TxDOT.
 - ix. Coordination with Marilee SUD
 - x. Franchise Utility Coordination.
 - a. Provide design data to franchisees.
 - b. Identify potential franchise utility conflicts and possible relocation requirements.
 - xi. Prepare meeting agendas, summaries, and progress reports.
 - xii. Project correspondence and invoicing.
 - xiii. Quality control and internal plan reviews.
- b. General Plans
 - i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, pressure reducing valve vault detail, project layout and applicable City and TxDOT standard details.
- b. Plan & Profile Drawings
 - i. Prepare horizontal and vertical alignments for proposed water line.
 - ii. Identify horizontal and vertical clearances and conflicts
 - iii. Identify easement requirements
- c. Compile and prepare a preliminary opinion of probable construction cost.
- d. Prepare Preliminary Project Manual, including bidding requirements, proposal, bid schedule, special conditions, and technical specifications. Technical Specifications are anticipated to include the following:
 - i. Ductile Iron Fittings
 - ii. Butterfly Valve

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- iii. Resilient Seat Gate Valve
- iv. Pressure Reducing Valve
- v. Auger Boring
- vi. Installation of Carrier Pipe in Casing Pipe
- vii. Steel Casing
- viii. Contact Grouting
- ix. Controlled Low Strength Material
- x. Trench Safety
- xi. Hydrostatic Testing and Disinfection
- xii. Trenching, Backfilling, and Compaction
- xiii. Connect to Existing Water Line
- xiv. Expansion Joints, Couplings, and Tapping Sleeves
- xv. Air Release/Vacuum Valve
- xvi. Erosion and Sedimentation Controls
- xvii. Seeding/Sodding of Lawns or Disturbed Areas
- xviii. Fire Hydrants
- xix. Site Preparation/Tree Protection
- xx. Clearing
- e. Preliminary design submittal (60%) to include:
 - i. Submit up to two (2) half size (11"x17") plans and electronic file (PDF) to the City.
 - ii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets at 1"=40' horizontal and 1"=4' vertical scales
 - e. Standard and Special Details
 - f. Preliminary Project Manual.
 - g. Preliminary opinion of probable construction cost.

C. Final Design (90%, 100%)

- a. Project Management and Administration.
 - i. Update project schedule.
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Coordination with City.
 - v. Coordination with subconsultants.
 - vi. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - vii. Coordination with TxDOT.
 - viii. Coordination with Marilee SUD
 - ix. Franchise Utility Coordination.
 - x. Prepare meeting agendas, summaries, and progress reports.
 - xi. Project correspondence and invoicing.
 - xii. Quality control and internal plan reviews.
- b. General Plans

Work Authorization _____
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- i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, project layout and applicable City and TxDOT standard details.
- c. Plan and Profile Drawings
 - i. Finalize water plan and profile design and sheets.
 - ii. Plan view shall include design notes for stationing, connections, tees, fire hydrants, valves, manholes, air release valves, blowoff valves and horizontal bends.
 - iii. Profile shall include design notes for stationing, size, slope, flow lines, pipe material, embedment, length and construction method.
 - iv. Compile applicable City standard details. Modify standard details as needed.
- d. Traffic Control Plans
 - i. Prepare construction sequencing, traffic control and/or access plan.
 - ii. Compile applicable TxDOT and City standard details.
- e. Erosion Control.
 - i. Prepare erosion control plan sheets at 1"=100' scale (11"x17").
 - ii. Erosion control sheets will specify sediment control fence, inlet protection, rock check dams, sod, and seed locations.
 - iii. Compile applicable TxDOT standards.
- f. Finalize Project Manual.
- g. Finalize quantity summaries (pay item listings) and update the overall opinion of probable construction cost.
- h. Final Design submittal to include:
 - i. Incorporate the Preliminary Design (60%) design review comments.
 - ii. Submit two (2) half size (11"x17") plans and PDF electronic file of the plans & project manual to the City.
 - iii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets
 - e. Traffic Control Plan
 - f. Erosion Control Plan
 - g. Standard and Special Details
 - h. Project Manual.
 - i. Opinion of probable construction costs.

D. Record Documents

- a. Consultant shall prepare construction Record Documents based on the information received from Contractor in accordance with the Agreement.

E. Geotechnical Services

- a. Subsurface Exploration.
 - i. Drill and extrude the following:

Work Authorization _____
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- a. Up to four (4) sample borings to depths of 30-feet below existing grade using truck-mounted equipment for pressure reducing vault and railway crossing
 - b. Additional depths or borings, if necessary, will be provided as *Additional Services* only upon written City authorization.
- ii. Check samples for consistency with a hand penetrometer.
- iii. Stake the boring locations using normal taping procedures (location and elevation to be surveyed).
- iv. Backfill bore holes and plug at the surface.
- v. Provide continuous sampling (with field strength testing).
- vi. Rock will be evaluated for hardness by TxDOT cone penetration field testing
- b. Laboratory Services
 - i. Testing.
 - a. Moisture contents to determine profile of moisture variations.
 - b. Atterberg limits and sieve analysis for classification of soils.
 - c. Unconfined compression tests to evaluate soil strengths.
 - d. Swell test to determine swell potential and subgrade treatment requirements (Swell Test Method).
 - e. Standard proctor.
 - f. Unit weight determinations
- c. Engineering Analysis
 - i. Prepare an engineering report presenting the following:
 - a. Sample boring location map.
 - b. General soil and ground-water conditions.
 - c. Earthwork recommendations, including compaction criteria for any fill placed.
 - d. Vault design parameters and recommendations will include:
 - i. Allowable soil bearing pressures and settlements.
 - ii. Lateral earth pressures including design parameters to resist sliding.
 - iii. Fill material and placement recommendations.
 - iv. Existing subgrade mitigation/treatment, if necessary.
 - e. Comments regarding bores/tunneling under roadways
 - ii. Submit one (1) copy & .pdf of the report to the City.

F.

III. TASK SUMMARY, SPECIAL SERVICES

A. Bid Phase Services

- a. Bid Documents submittal to include:
 - i. Prepare plan set and Project Manual for electronic bidding (.pdf) and submit to City.
 - ii. Print one (1) 11"x17" set and one (1) Project Manual/s for City's use.
 - iii. Furnishing additional hardcopies of review documents and/or bid documents in excess of the number of the same identified above will be considered as *Additional Services*.
- b. Prepare for and conduct a pre-bid meeting with prospective bidders, if needed.

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- c. Issue addenda as appropriate to interpret, clarify, or expand the Bid Documents.
- d. Prepare a letter addressing the award of the construction contract.
- e. Provide a schedule of submittals (shop drawings, etc.) required of the contractor.
- f. Conformed Document submittal:
 - i. Update the Bid Documents (plans and Project Manual) to incorporate bid addenda items
 - ii. Print up to four (4) sets 11"x17" plans and two (2) Project Manuals for issuance at the Pre-Construction Conference.
 - iii. Package and submit CAD base files upon request.

B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"

This Task shall be used on an as-needed basis, at the discretion of the City. Tasks may include:

- a. After survey is complete and during Preliminary Design, identify possible conflict locations to perform SUE.
- b. Upon City authorization, perform SUE Quality Level "B" using geophysical prospecting equipment to identify City and franchised utilities at critical locations identified during design and/or construction.
- c. Upon City authorization, perform SUE Quality Level "A" using non-destructive vacuum excavation equipment to expose City and franchised utilities at critical locations, identified during design or construction, up to four (4) test hole locations which will then be field surveyed.
- d. Evaluate the SUE results and provide a summary of potential utility conflicts to the City
- e. Provide the SUE results to the affected franchisees for their use in relocation efforts.

C. Easement Instruments of Conveyance

- a. Prepare up to one (1) easement instrument for acquisition purposes (narrative and graphic exhibits of easements required for water and temporary construction easement).
- b. Individual parcel exhibits shall be on 8 ½" x 11" paper, shall be sealed, dated, and signed by a Registered Professional Land Surveyor and shall contain the following:
 - i. Parcel number.
 - ii. Area required.
 - iii. Area remaining.
 - iv. Legal description.
 - v. Current owner.
 - vi. Any existing platted easement or easements filed by separate instrument including easements provided by utility companies.

Work Authorization _____
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- vii. Metes and bounds description of parcel to be acquired. The description shall be provided on a separate sheet from the exhibit. Each type of easement shall be described separately.

D. Construction Phase Services

The Scope of Services listed below may or may not be performed as part of our construction phase services. Kimley-Horn's role during construction will be provided upon request of the City and billed on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this task is based upon approximately 60 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City.

- a. Site Visits upon request
- b. *Pre-Construction Meeting.* Attend Pre-Construction Meeting(s) prior to commencement of Work at the Site
- c. *Franchise Utility Coordination.* Assist the City with franchise utility coordination efforts and conflict resolution during construction.
- d. *Clarifications and Interpretations.* Issue clarifications and interpretations of the Contract Documents to City as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by City.
- e. *Change Orders.* Recommend Change Orders to City, as appropriate. Review and make recommendations related to Change Orders submitted or proposed by the Contractor. Task includes preparing plan sheet revisions.
- f. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
- g. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
- h. *Disagreements between City and Contractor.* As necessary, render written decision on all claims of City and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such decisions, KHA shall be fair and not show partiality to City or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
- i. *Limitation of Responsibilities.* Consultant shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or

Attachment: 2020 Task Order 2020-0010 - Louisiana Phase III (Louisiana Drive Water Line Phase III (W41))

Work Authorization _____
August 11, 2020

of any other individual or entity performing or furnishing the Work. Consultant shall not have the authority or responsibility to stop the work of any Contractor.

E. Franchise Utility Permitting

The proposed Project is anticipated to impact existing franchise utility facilities and their respective easements which may require (a) encroachment agreements and/or permits, (b) relocation of one or more of the franchise utilities, or (c) combination of encroachment agreement and/or permit and relocation. This Task is to assist the City in coordination efforts, preparation of necessary exhibits and documentation for the encroachment agreements and/or permitting.

Consultant will assist upon request of the City and bill on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this Task is based upon approximately 30 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City. All fees associated with encroachment agreement and permitting will be paid by the City.

IV. ITEMS NOT INCLUDED IN THE EXISTING SCOPE OF SERVICES

A. **Additional Services not included in the existing Scope of Services** – City and Consultant agree that the following services are beyond the Scope of Services described in the tasks above. However, Consultant can provide these services, if needed, upon the City's written request. Any additional amounts paid to the Consultant as a result of any material change to the Scope of the Project shall be agreed upon in writing by both parties before the services are performed. These Additional Services include the following:

1. Computer Modeling
2. Surge Analysis
3. Construction Staking.
4. Environmental Services beyond those identified in the Scope of Services.
5. Title Research.
6. Traffic Simulations and/or Traffic Studies.
7. Franchise Utility Design.
8. Construction Inspection

- End of Scope of Services -

Attachment "B" Schedule

City of Celina - Louisiana Drive (Business Highway 289) 18-inch Water Line – Phase III

Updated: June 23, 2020

Key Task Name	Year 1												Year 2											
	Month																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Notice to Proceed	★																							
Design Phase (8 Months)																								
Survey																								
60% Design & Submittal				★																				
City Review																								
95% Design & Submittal									★															
City Review																								
Final Design & Submittal																								
Easements (4 Months)																								
Easement Acquisition																								
Subsurface Utility Engineering (2 Months)																								
SUE Quality Level "B" and "A" (if needed)																								
Geotechnical Investigation (2 Months)																								
Geotechnical Investigation																								
Bidding Phase (2 Months)																								
Bidding & Addenda																								
Award Construction Contract																								
Construction Phase (6 Months)																								
Construction																								



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Dawn Berry, Purchasing Manager
 CC: Andy Glasgow, Asst Director of Engineering
 Date: September 8, 2020
 Re: CR 99 Water Line Phase II

Action Requested:

Consider and act to authorize an agreement for engineering services for the design an 18 inch waterline on County Road 99 between Louisiana Dr (B 289) and Preston Road (SH 289) (Phase II) with Kimley-Horn and Associates, Inc. for an amount not to exceed \$194,000.00. (Berry)

Background Information:

This Project includes the design of approximately 4,500 linear feet of 18-inch water line along County Road 99 from Louisiana Drive (BUS 289), east to Preston Road (SH 289). The proposed water line will be located outside the future County Road 99 right-of-way (ROW) within a dedicated easement along the north side of the road for the full alignment.

In addition to design services, the Project includes survey, a pressure reducing valve at the pressure plane boundary, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), railroad permitting support, bid phase services, construction phase services, geotechnical investigation and the preparation of record documents.

Alternatives:

Council may reject the agreement and direct staff.

Financial Considerations:

Funding is available in the current budget and will be tracked in Project W40. Expenditures will not exceeds funds appropriated and funds will be committed at the issuance of a purchase order.

Legal Review:

Standard contract documents have been used and previously reviewed.

Supporting Documents:

Agreement

Staff Recommendation:

Authorize work order 2020-0009



MASTER SERVICE AGREEMENT (MSA) TASK ORDER

Work Authorization No. **2020-0009**

Pursuant and subject to the above captioned MSA dated January 15, 2019 between the City of Celina, Texas and Kimley-Horn and Associates, Inc., the City of Celina hereby requests that CONSULTANT performs the work described below upon the terms set forth:

Work Site: County Road 99 18-inch Water Line – Phase II

Work to be performed: Refer to Attachment “A”

Date and Time to Commence: Within receipt of execution of contract

Date and Time to Complete: Refer to Attachment “B”

Invoice Mailing Instructions:

City of Celina
Attn: Andy Glasgow, P.E.
Director of Engineering
142 N Ohio
Celina, TX 75009
aglasgow@celina-tx.gov

Other Requirements or Variance from MSA (if any):
N/A

CONSULTANT PROVIDED INFORMATION:

Compensation:

II. Basic Services (Lump Sum)

A. Survey	\$15,000
B. Preliminary Design (60%)	\$42,000
C. Final Design (90%, 100%)	\$41,000
D. Record Documents	\$7,000
E. Geotechnical Services	<u>\$15,000</u>
Basic Services Total (Lump Sum)	\$120,000

Work Authorization _____
August 11, 2020

III. Special Services (Cost Plus Not to Exceed)

A. Bid Phase Services	\$8,000
B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"	\$20,000
C. Easement Instruments of Conveyance	\$15,000
D. Construction Phase Services	\$14,000
E. Franchise Utility Permitting	\$7,000
F. Railroad Permitting	<u>\$10,000</u>
Special Services Total (Cost Plus, Not to Exceed)	\$74,000
 Project Budget, Grand Total (Not to Exceed)	 \$194,000

ACCEPTANCE:

The foregoing TASK ORDER is accepted on the terms set forth as indicated by the signatures below.

Consultant:



L. Nathan Ante, P.E.
Vice President

08/20/2020
Date

City Representative:

Dawn Berry
Purchasing Manager

Date

Council Approval: September 8, 2020
Project: W40

Attachment: 2020 Task Order 2020-0009 (County Road 99 18 inch Water Line Phase II (W40))

ATTACHMENT “A” SERVICES TO BE PROVIDED BY KIMLEY-HORN

I. PROJECT DESCRIPTION

This Project includes the design of approximately 4,500 linear feet of 18-inch water line along County Road 99 from Louisiana Drive (BUS 289), east to Preston Road (SH 289). The proposed water line will be located outside the future County Road 99 right-of-way (ROW) within a dedicated easement along the north side of the road for the full alignment.

In addition to design services, the Project includes survey, a pressure reducing valve at the pressure plane boundary, preparation of easement instruments of conveyance, Subsurface Utility Engineering (if needed), railroad permitting support, bid phase services, construction phase services, geotechnical investigation and the preparation of record documents.

II. TASK SUMMARY, BASIC SERVICES

A. Survey

- a. Data Collection and Property Research
 - i. Gather existing right-of-way, easement, plat, and property information along County Road 99 from Louisiana Drive (BUS 289), east to Preston Road (SH 289). Undocumented easements may not be identified. Title research may be performed as an *Additional Service* only upon written City authorization.
 - ii. City to provide record drawing information for City infrastructure and development record plans along County Road 99 within project limits.
 - iii. Coordinate with Texas 811 to locate and mark existing franchise and public utilities prior to performing the field survey.
 - iv. Arrange and make provisions for access to perform the services specified within this scope.
- b. Right of Entry – Prior to initiating field surveying operations on private property, the CONSULTANT shall assist the CITY in sending letters to all adjacent property owners notifying them of the intent to survey on private property. The CONSULTANT shall provide the CITY with the name, address, and contact information of the property owners, as well as the property addresses of the affected property. Written permission to survey on private property shall be obtained from the property owner(s) before surveying is commenced. The letter of permission shall include permission for the CONSULTANT to set iron pins and control monuments for future right-of-way and/or easements to be acquired by the CITY if necessary at a later date.
- c. Perform Topographic Survey, locating surface features including trees greater than 6-inches in diameter.
 - i. Survey width shall be from centerline of the existing road to 100-feet north of centerline at 50-foot intervals to accurately determine the extents of the existing and future ROW along the north side of the road, and additional

Work Authorization _____
August 11, 2020

- area outside the future ROW for dedicated water line easements and temporary construction easements.
- ii. Perform field survey ground control.
- d. Review topographic survey, available records from the City, TxDOT, Marilee Special Utility District (SUD), and information gathered from the franchise utilities.
- e. Compile above information into a base file to be used for design.
- f. Base file will be in AutoCAD Civil 3D.
- g. Provide base files to other consultants, engineers, and contractors who may be performing work for the City or adjacent to the Project, only upon City request.
- h. Prepare easement map plan sheets at 1"=50' scale (11"x17") for the plan set.
- i. Update the easement plan sheets to include the finalized/reconciled easements after completion of negotiations and acquisition, if applicable.

B. Preliminary Design (60%)

- a. Project Management and Administration.
 - i. Develop project production plan and schedule.
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Data Collection.
 - v. Coordination with City.
 - vi. Coordination with subconsultants.
 - vii. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - viii. Coordination with TxDOT.
 - ix. Coordination with Marilee SUD
 - x. Franchise Utility Coordination.
 - a. Provide design data to franchisees.
 - b. Identify potential franchise utility conflicts and possible relocation requirements.
 - xi. Prepare meeting agendas, summaries, and progress reports.
 - xii. Project correspondence and invoicing.
 - xiii. Quality control and internal plan reviews.
- b. General Plans
 - i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, pressure reducing valve vault detail, project layout and applicable City and TxDOT standard details.
- b. Plan & Profile Drawings
 - i. Prepare horizontal and vertical alignments for proposed water line.
 - ii. Identify horizontal and vertical clearances and conflicts
 - iii. Identify easement requirements
- c. Compile and prepare a preliminary opinion of probable construction cost.
- d. Prepare Preliminary Project Manual, including bidding requirements, proposal, bid schedule, special conditions, and technical specifications. Technical Specifications are anticipated to include the following:
 - i. Ductile Iron Fittings
 - ii. Butterfly Valve

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- iii. Resilient Seat Gate Valve
- iv. Pressure Reducing Valve
- v. Auger Boring
- vi. Installation of Carrier Pipe in Casing Pipe
- vii. Steel Casing
- viii. Contact Grouting
- ix. Controlled Low Strength Material
- x. Trench Safety
- xi. Hydrostatic Testing and Disinfection
- xii. Trenching, Backfilling, and Compaction
- xiii. Connect to Existing Water Line
- xiv. Expansion Joints, Couplings, and Tapping Sleeves
- xv. Air Release/Vacuum Valve
- xvi. Erosion and Sedimentation Controls
- xvii. Seeding/Sodding of Lawns or Disturbed Areas
- xviii. Fire Hydrants
- xix. Site Preparation/Tree Protection
- xx. Clearing
- e. Preliminary design submittal (60%) to include:
 - i. Submit up to two (2) half size (11"x17") plans and electronic file (PDF) to the City.
 - ii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets at 1"=40' horizontal and 1"=4' vertical scales
 - e. Standard and Special Details
 - f. Preliminary Project Manual.
 - g. Preliminary opinion of probable construction cost.

C. Final Design (90%, 100%)

- a. Project Management and Administration.
 - i. Update project schedule.
 - ii. Prepare for and attend up to two (2) meetings.
 - iii. Project site visits.
 - iv. Coordination with City.
 - v. Coordination with subconsultants.
 - vi. Coordination with consultants and engineers adjacent to the proposed project, upon City request.
 - vii. Coordination with TxDOT.
 - viii. Coordination with Marilee SUD
 - ix. Franchise Utility Coordination.
 - x. Prepare meeting agendas, summaries, and progress reports.
 - xi. Project correspondence and invoicing.
 - xii. Quality control and internal plan reviews.
- b. General Plans

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- i. Prepare general plans sheets necessary including cover, general notes, sheet index, control sheet, project layout and applicable City and TxDOT standard details.
- c. Plan and Profile Drawings
 - i. Finalize water plan and profile design and sheets.
 - ii. Plan view shall include design notes for stationing, connections, tees, fire hydrants, valves, manholes, air release valves, blowoff valves and horizontal bends.
 - iii. Profile shall include design notes for stationing, size, slope, flow lines, pipe material, embedment, length and construction method.
 - iv. Compile applicable City standard details. Modify standard details as needed.
- d. Traffic Control Plans
 - i. Prepare construction sequencing, traffic control and/or access plan.
 - ii. Compile applicable TxDOT and City standard details.
- e. Erosion Control.
 - i. Prepare erosion control plan sheets at 1"=100' scale (11"x17").
 - ii. Erosion control sheets will specify sediment control fence, inlet protection, rock check dams, sod, and seed locations.
 - iii. Compile applicable TxDOT standards.
- f. Finalize Project Manual.
- g. Finalize quantity summaries (pay item listings) and update the overall opinion of probable construction cost.
- h. Final Design submittal to include:
 - i. Incorporate the Preliminary Design (60%) design review comments.
 - ii. Submit two (2) half size (11"x17") plans and PDF electronic file of the plans & project manual to the City.
 - iii. Submittal shall include the following:
 - a. Cover Sheet
 - b. Sheet Index
 - c. Project Layout and Control Sheet
 - d. Water Plan and Profile Sheets
 - e. Traffic Control Plan
 - f. Erosion Control Plan
 - g. Standard and Special Details
 - h. Project Manual.
 - i. Opinion of probable construction costs.

D. Record Documents

- a. Consultant shall prepare construction Record Documents based on the information received from Contractor in accordance with the Agreement.

E. Geotechnical Services

- a. Subsurface Exploration.
 - i. Drill and extrude the following:

Attachment: 2020 Task Order 2020-0009 (County Road 99 18 inch Water Line Phase II (W40))

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- a. Up to four (4) sample borings to depths of 30-feet below existing grade using truck-mounted equipment for pressure reducing vault and railway crossing
 - b. Additional depths or borings, if necessary, will be provided as *Additional Services* only upon written City authorization.
- ii. Check samples for consistency with a hand penetrometer.
- iii. Stake the boring locations using normal taping procedures (location and elevation to be surveyed).
- iv. Backfill bore holes and plug at the surface.
- v. Provide continuous sampling (with field strength testing).
- vi. Rock will be evaluated for hardness by TxDOT cone penetration field testing
- b. Laboratory Services
 - i. Testing.
 - a. Moisture contents to determine profile of moisture variations.
 - b. Atterberg limits and sieve analysis for classification of soils.
 - c. Unconfined compression tests to evaluate soil strengths.
 - d. Swell test to determine swell potential and subgrade treatment requirements (Swell Test Method).
 - e. Standard proctor.
 - f. Unit weight determinations
- c. Engineering Analysis
 - i. Prepare an engineering report presenting the following:
 - a. Sample boring location map.
 - b. General soil and ground-water conditions.
 - c. Earthwork recommendations, including compaction criteria for any fill placed.
 - d. Vault design parameters and recommendations will include:
 - i. Allowable soil bearing pressures and settlements.
 - ii. Lateral earth pressures including design parameters to resist sliding.
 - iii. Fill material and placement recommendations.
 - iv. Existing subgrade mitigation/treatment, if necessary.
 - e. Comments regarding bores/tunneling under roadways
 - ii. Submit one (1) copy & .pdf of the report to the City.

III. TASK SUMMARY, SPECIAL SERVICES

A. Bid Phase Services

- a. Bid Documents submittal to include:
 - i. Prepare plan set and Project Manual for electronic bidding (.pdf) and submit to City.
 - ii. Print one (1) 11"x17" set and one (1) Project Manual/s for City's use.
 - iii. Furnishing additional hardcopies of review documents and/or bid documents in excess of the number of the same identified above will be considered as *Additional Services*.
- b. Prepare for and conduct a pre-bid meeting with prospective bidders, if needed.

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- c. Issue addenda as appropriate to interpret, clarify, or expand the Bid Documents.
- d. Prepare a letter addressing the award of the construction contract.
- e. Provide a schedule of submittals (shop drawings, etc.) required of the contractor.
- f. Conformed Document submittal:
 - i. Update the Bid Documents (plans and Project Manual) to incorporate bid addenda items
 - ii. Print up to four (4) sets 11"x17" plans and two (2) Project Manuals for issuance at the Pre-Construction Conference.
 - iii. Package and submit CAD base files upon request.

B. Subsurface Utility Engineering (SUE) Quality Level "B" and "A"

This Task shall be used on an as-needed basis, at the discretion of the City. Tasks may include:

- a. After survey is complete and during Preliminary Design, identify possible conflict locations to perform SUE.
- b. Upon City authorization, perform SUE Quality Level "B" using geophysical prospecting equipment to identify City and franchised utilities at critical locations identified during design and/or construction.
- c. Upon City authorization, perform SUE Quality Level "A" using non-destructive vacuum excavation equipment to expose City and franchised utilities at critical locations, identified during design or construction, up to four (4) test hole locations which will then be field surveyed.
- d. Evaluate the SUE results and provide a summary of potential utility conflicts to the City
- e. Provide the SUE results to the affected franchisees for their use in relocation efforts.

C. Easement Instruments of Conveyance

- a. Prepare up to ten (10) easement instruments for acquisition purposes (narrative and graphic exhibits of easements required for water and temporary construction easement).
- b. Individual parcel exhibits shall be on 8 ½" x 11" paper, shall be sealed, dated, and signed by a Registered Professional Land Surveyor and shall contain the following:
 - i. Parcel number.
 - ii. Area required.
 - iii. Area remaining.
 - iv. Legal description.
 - v. Current owner.
 - vi. Any existing platted easement or easements filed by separate instrument including easements provided by utility companies.

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- vii. Metes and bounds description of parcel to be acquired. The description shall be provided on a separate sheet from the exhibit. Each type of easement shall be described separately.

D. Construction Phase Services

The Scope of Services listed below may or may not be performed as part of our construction phase services. Kimley-Horn's role during construction will be provided upon request of the City and billed on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this task is based upon approximately 60 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City.

- a. Site Visits upon request
- b. *Pre-Construction Meeting.* Attend Pre-Construction Meeting(s) prior to commencement of Work at the Site
- c. *Franchise Utility Coordination.* Assist the City with franchise utility coordination efforts and conflict resolution during construction.
- d. *Clarifications and Interpretations.* Issue clarifications and interpretations of the Contract Documents to City as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by City.
- e. *Change Orders.* Recommend Change Orders to City, as appropriate. Review and make recommendations related to Change Orders submitted or proposed by the Contractor. Task includes preparing plan sheet revisions.
- f. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
- g. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
- h. *Disagreements between City and Contractor.* As necessary, render written decision on all claims of City and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such decisions, KHA shall be fair and not show partiality to City or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
- i. *Limitation of Responsibilities.* Consultant shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or

Attachment: 2020 Task Order 2020-0009 (County Road 99 18 inch Water Line Phase II (W40))

Work Authorization _____
August 11, 2020

of any other individual or entity performing or furnishing the Work. Consultant shall not have the authority or responsibility to stop the work of any Contractor.

E. Franchise Utility Permitting

The proposed Project is anticipated to impact existing franchise utility facilities and their respective easements which may require (a) encroachment agreements and/or permits, (b) relocation of one or more of the franchise utilities, or (c) combination of encroachment agreement and/or permit and relocation. This Task is to assist the City in coordination efforts, preparation of necessary exhibits and documentation for the encroachment agreements and/or permitting.

Consultant will assist upon request of the City and bill on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this Task is based upon approximately 30 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City. All fees associated with encroachment agreement and permitting will be paid by the City.

F. Railroad Permitting

- a. Attend and facilitate up to two (2) railroad coordination meetings.
- b. Prepare agenda and distribute minutes.
- c. Coordinate with BNSF throughout design.
- d. Send Conceptual Design to BNSF for initial comments.
- e. Incorporate BNSF requirements into the Bid Documents, including:
 - i. Technical Specifications, including railroad coordination requirements.
 - ii. Construction Phasing Plans (including required phasing, construction procedures, controlling dimensions and elevations).
- f. Prepare and submit Railroad Crossing Permit Application.

Consultant will assist upon request of the City and bill on a reimbursable basis as labor and direct expenses are incurred. The budgeted fee for this Task is based upon approximately 40 hours of labor. We will not proceed with performance of services beyond the hours budgeted, without written authorization by the City. All fees associated with the BNSF agreement and permitting will be paid by the City.

IV. ITEMS NOT INCLUDED IN THE EXISTING SCOPE OF SERVICES

- A. **Additional Services not included in the existing Scope of Services** – City and Consultant agree that the following services are beyond the Scope of Services described in the tasks above. However, Consultant can provide these services, if needed, upon the City's written request. Any additional amounts paid to the Consultant as a result of any material change to the Scope of the Project shall be agreed upon in writing by both parties before the services are performed. These Additional Services include the following:

Work Authorization _____
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1. Computer Modeling
2. Surge Analysis
3. Construction Staking.
4. Environmental Services beyond those identified in the Scope of Services.
5. Title Research.
6. Traffic Simulations and/or Traffic Studies.
7. Franchise Utility Design.
8. Construction Inspection

- End of Scope of Services -

Attachment: 2020 Task Order 2020-0009 (County Road 99 18 inch Water Line Phase II (W40))

Attachment "B" Schedule

City of Celina - County Road 99 18-inch Water Line – Phase II

Updated: June 23, 2020

Key Task Name	Year 1												Year 2											
	Month																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Notice to Proceed	★																							
Design Phase (8 Months)																								
Survey																								
60% Design & Submittal				★																				
City Review																								
95% Design & Submittal																								
City Review																								
Final Design & Submittal																								
Easements (4 Months)																								
Easement Acquisition																								
Subsurface Utility Engineering (2 Months)																								
SUE Quality Level "B" and "A" (if needed)																								
Geotechnical Investigation (2 Months)																								
Geotechnical Investigation																								
Bidding Phase (2 Months)																								
Bidding & Addenda																								
Award Construction Contract																								
Construction Phase (6 Months)																								
Construction																								

Attachment: 2020 Task Order 2020-0009 (County Road 99 18 inch Water Line Phase II (W40))



Life Connected.

Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Andy Glasgow, Asst Director of Engineering
CC: Mark Metdker, Public Safety Director
Date: September 8, 2020
Re:

Action Requested:

Consider and act upon an ordinance altering the prima facie speed limits established for vehicles under the provisions of transportation code, section 545.356 upon Dallas Parkway, or parts thereof, within the incorporate limits of the City of Celina. (Dallas Parkway from FM 1461 to FM 428 to 50 MPH) (Glasgow)

Background Information:

Before Collin County started construction of the Dallas Parkway South bound lanes the speed limit was 45 MPH. Now that construction is complete, a speed study was conducted that recommended the speed limit to be increased to match travel speeds. This ordinance update proposes to increase the speed limit to 50 MPH as per the attached speed study. This ordinance only covers the section of Dallas Parkway from FM 1461 to FM 428.

Board Review/Citizen Input:

N/A

Alternatives:

Do nothing

Financial Considerations:

N/A

Legal Review:

City attorney will review the ordinance for content and form

Supporting Documents:

1. Ordinance with attachment
2. Speed Zone Study and Map

Staff Recommendation:

Approve

CITY OF CELINA, TEXAS

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE 2009-18, ALTERING THE PRIMA FACIE SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF TRANSPORTATION CODE, SECTION 545.356 UPON DALLAS PARKWAY WITHIN THE CORPORATE LIMITS OF THE CITY OF CELINA, AS SET OUT IN THIS ORDINANCE; AND PROVIDING A PENALTY OF A FINE NOT TO EXCEED \$500.00 FOR THE VIOLATION OF THIS ORDINANCE; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter; and

WHEREAS, Section 545.356 of the Texas Transportation Code, provides that whenever the governing body of the City shall determine upon the basis of an engineering and traffic investigation that any prima facie speed therein set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of a street or highway within the City, taking into consideration the width and condition of the pavement and other circumstances on such portion of said street or highway, as well as the usual traffic thereon, said governing body may determine and declare a reasonable and safe prima facie speed limit thereat or thereon by the passage of an ordinance, which shall be effective when appropriate signs giving notice thereof are erected at such intersection or other place or part of the street or highway;

WHEREAS, upon the basis of an engineering and traffic investigation heretofore made as authorized by the provisions of Transportation Code, Section 545.356, the following prima facie speed limits hereafter indicated for vehicles are hereby determined and declared to be reasonable and safe; and such speed limits are hereby fixed at the rate of speed indicated for vehicles traveling upon the named streets and highways, or parts thereof, described as follows:

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

SECTION 1
PRIMA FACIE SPEED LIMITS

(a) That from and after the date of the passage of this speed zone ordinance with the exception of the speed limitation set forth in subsection (b), no motor vehicle shall be operated along and upon the northbound and southbound lanes of Dallas Parkway from its intersection

with West Frontier Parkway northward to its intersection with the Farm-to-Market Road 428 and vice versa (more particularly depicted in the attached Exhibit “A”) within the corporate limits of the City of Celina in excess of fifty (50) miles per hour.

(b) That from and after the date of the passage of this speed zone ordinance, no motor vehicle shall be operated along and upon the northbound and southbound lanes of Dallas Parkway within the corporate limits of the City of Celina in excess of fifty (50) miles per hour.

(c) That the Celina Code of Ordinances Chapter 12: Traffic and Vehicles; Article 12.03 Operation of Vehicles; Division 2: Traffic Schedules shall be amended to include the speed limit and locations set forth herein.

SECTION 2 **SIGNAGE**

The City Manager of Celina is hereby authorized to cause to be erected, appropriate signs indicating such speed zones as described and set forth in Exhibit “A”.

SECTION 3 **PENALTY**

It shall be unlawful for any person to violate any provision of this Ordinance, and any person violating or failing to comply with any provision hereof shall be guilty of a misdemeanor and shall be fined, upon conviction, in an amount not more than five hundred dollars (\$500.00.)

SECTION 4 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on the date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 5 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting traffic regulation which have secured at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 6 **SEVERABILITY**

The provisions of this Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decision or enactment.

SECTION 7 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish the Caption, and Effective Date clause of this Ordinance in the Official Newspaper of the City of Celina as required by Section 52.013 of the Texas Local Government Code.

SECTION 8 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 9 **EFFECTIVE DATE**

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

IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, this the _____ day of September, 2020.

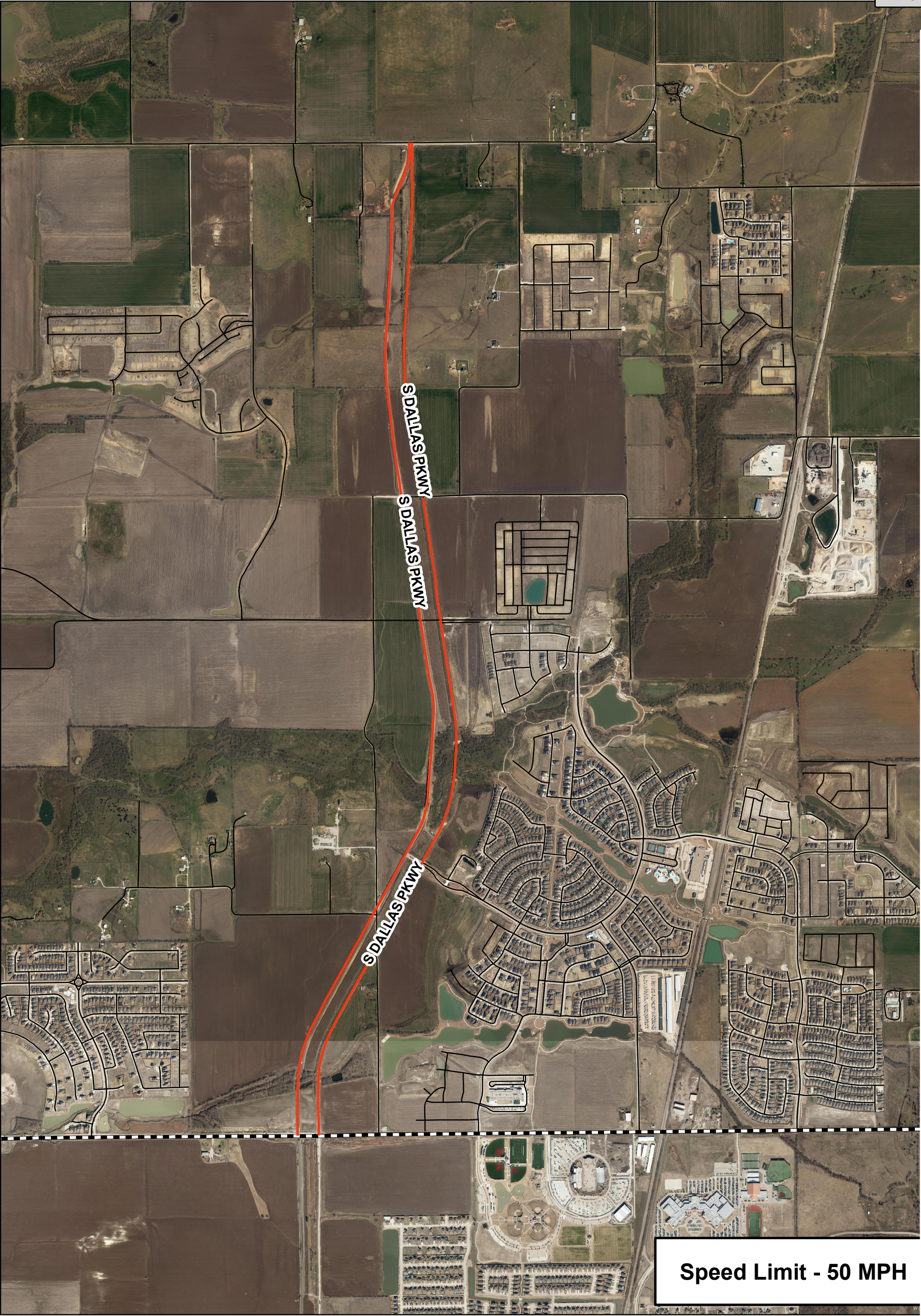
Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Faulkner, City Secretary
City of Celina, Texas

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas



Attachment: ExhibitA_SDallasPkw_09022020 (Ordinance - Speed Zone Update - Dallas Parkway)



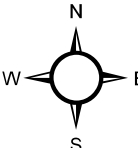
Life Connected.

Exhibit A

Date: 9/2/2020

Legend

- S Dallas Pkwy
- Ultimate Boundary
- Roads



0 1,400 2,800 Feet

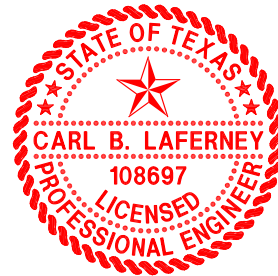
Packet Pg. 634



4060 Bryant Irvin Road
Fort Worth, Texas 76109
(817)-412-7155 www.pkce.com
TX. REG: ENGINEERING FIRM F-469
TX. REG. SURVEYING FIRM LS-100080-00

MEMORANDUM

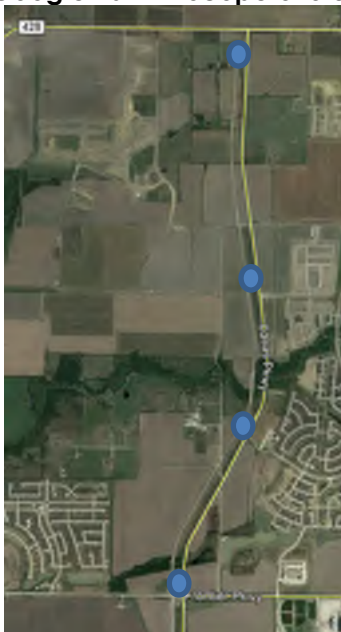
To: Andy Glasgow, MSCE, P.E., CFM
From: Carl LaFerney, P.E., PTOE
CC:
Date: July 24, 2020
Subject: **Dallas Parkway Speed Study**
PK#4520-20.008



Carl LaFerney

The services of **Pacheco Koch** (PK) were retained by the City of Celina to conduct a Speed Study along Dallas Parkway from Frontier Parkway to FM 428. The study was based upon speed data collected at three points along the corridor, as collected on July 1, 2020 and data collected using TomTom data collection services, along with a site visit from PK staff on July 20, 2020 during the morning off-peak.

Google Earth – Scope of Study



● Speed Limit Signs

Posted Speed Limit, Observed 7/20/2020



ROADWAY NETWORK

Dallas Parkway is currently signed at 45 MPH throughout the corridor and consists of two separated two lane, one-way frontage roads, with raised curbs and no medians throughout the corridor. The corridor is approximately 3.18 miles in length from Frontier Parkway to FM 428. The land use around Dallas Parkway is mostly undeveloped with some residential.

DATA ANALYSIS

Based upon the data collected on July 1st, the 85th percentile speed was between 50-55 throughout the day at the various study points. We also utilized Crowd-sourced data from TomTom to compare pre-pandemic speeds with current speed data. This was included since the Texas Department of Transportation has noticed significant speed increases due to lower congestion. According to the TomTom data collected for the month of February 2020 (before COVID Pandemic), the 85th percentile speed was between 48-55 MPH. This data is displayed in the table below and full data is shown in the appendix.

Speed Data

	Speed Study 85 th Percentile Speed (MPH)	TomTom 85 th Percentile Speed (MPH)
North End NB	54	53
North End SB	55	N/A*
Middle NB	55	53
Middle SB	53	N/A*
South End NB	49	48
South End SB	51	N/A*

*SB TomTom data unavailable

SITE OBSERVATIONS

PK performed a site visit during the AM peak on July 20, 2020, which included driving Dallas Parkway and observing existing traffic. Along Dallas Parkway, drivers were observed driving around 50 miles per hour, which is above the posted speed limit of 45 MPH. Some off-peak construction was observed at various intersections along the corridor but was not impeding traffic flow.

RECOMMENDATIONS

PK recommends raising the speed limit along Dallas Parkway to 50 MPH along the corridor, with the city monitoring the 85th percentile speeds of drivers after the change.

APPENDIX A – SPEED STUDY DATA



RADAR MOTOR VEHICLE SPEED Field Tally Sheet

Form 1682
(Rev. 3/19)
Page 1 of 2

Date: July 1st County: _____ Hwy: Dallas Pkwy Location: North Point
Time (from): _____ 3 (to): 4 Weather: Sunny
Surface type: Concrete 6(6) 7 Surface condition: ☐ Wet or ☒ Dry / ☒ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES		Cumulative Total	AUTOMOBILES		Cumulative Total	TRUCKS & BUSES		M.P.H.
	Direction:			Direction:			Direction:	Direction:	
45 mph								NB	
>80									>80
79									79
78									78
77									77
76									76
75									75
74									74
73									73
72				ROADWAY NETWORK					72
71									71
70									70
69									69
68									68
67			4						67
66									66
65									65
64			1						64
63			2						63
62									62
61									61
60			4						60
59			4						59
58			3						58
57			4						57
56			2						56
55			10						55
54			14						54
53			10						53
52			16						52
51			17						51
50			14						50
49			20						49
48			19						48
47			24						47
46			16						46
45			21						45
44			8						44
43			10						43
42			2						42
41			3						41
40			1						40
39									39
38									38
37									37
36									36
35									35
34									34
33									33
32									32
31									31
<30									<30
Total Automobiles			225	Total Automobiles					
			x 0.85				x 0.85		
85th Percentile Automobile:			191.25	85th Percentile Automobile:					
85th Percentile Speed (m.p.h.):			54	85th Percentile Speed (m.p.h.):					

Recorder: _____

6-7 very light Traffic

33.282694, -96.811205

NB

The Exact Midpoint of the Corridor

45 mph

7.AG.c



RADAR MOTOR VEHICLE SPEED Field Tally Sheet

 Form 1882
(Rev. 3/19)
Page 1 of 2

 Date: July 1st County: _____ Hwy: Dallas Pkwy Location: Midpoint

 Time (from): 1pm (to): 3pm Weather: Sunny

 Surface type: Concrete Surface condition: ☐ Wet or ☒ Dry / ☒ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES		Cumulative Total	AUTOMOBILES		Cumulative Total	TRUCKS & BUSES		M.P.H.
	Direction:			Direction:			Direction:		
45 mph							NB		
>80									>80
79									79
78									78
77									77
76									76
75									75
74									74
73									73
72									72
71									71
70									70
69									69
68									68
67									67
66	II		2						66
65									65
64						I			64
63									63
62	III		5						62
61						I			61
60	III III		8			I			60
59	III		4						59
58	III I		6			I			58
57	I		1						57
56	I		1			I			56
55	III III		10						55
54	III III III II		17						54
53	III III III III III		24						53
52	III III III III I		21			II			52
51	III III III II		15						51
50	III III III I		16						50
49	III III III III II		22			III			49
48	III III III III		14						48
47	III III III I		16			III			47
46	III III III		9			I			46
45	III III III III		14			III			45
44	III		4			II			44
43	III I		6			I			43
42	I		1						42
41	III		4			I			41
40	II		2						40
39	I		1			I			39
38						II			38
37						II			37
36	I		1						36
35									35
34									34
33									33
32									32
31									31
<30									<30
Total Automobiles			224	Total Automobiles					
			x 0.85				x 0.85		
85th Percentile Automobile:			190.4	85th Percentile Automobile:					
85th Percentile Speed (m.p.h.):			55	85th Percentile Speed (m.p.h.):					

Recorder: _____

Attachment: Dallas Parkway Speed Study Memo FINAL (Ordinance - Speed Zone Update - Dallas Parkway)

NB 33-264827, -96.818610

Southern Study Point

45mph

7.AG.c



RADAR MOTOR VEHICLE SPEED Field Tally Sheet

 Form 1612
(Rev. 3/19)
Page 1 of 2

 Date: July 1st County: _____ Hwy: Dallas Pkwy Location: Southern Study Point

 Time (from): 9:00 AM (to): 11 AM Weather: Sunny

 Surface type: Concrete Surface condition: ☐ Wet or ☒ Dry / ☒ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES	Cumulative Total	AUTOMOBILES	Cumulative Total	TRUCKS & BUSES	M.P.H.
	Direction: <u>NB</u>		Direction:		Direction: <u>NB</u>	
>80						>80
79						79
78						78
77						77
76						76
75						75
74						74
73						73
72						72
71						71
70						70
69						69
68						68
67		1				67
66		1				66
65						65
64		2				64
63						63
62						62
61						61
60						60
59						59
58						58
57		3				57
56						56
55		1				55
54		1				54
53		3				53
52		3				52
51		4				51
50		4				50
49		13				49
48		18				48
47		17				47
46		35				46
45		18				45
44		29				44
43		22				43
42		23				42
41		12				41
40		17				40
39		6				39
38		6				38
37		9				37
36		3				36
35		1				35
34		2				34
33						33
32		1				32
31						31
<30						<30
Total Automobiles		263	Total Automobiles			
		x 0.85			x 0.85	
85th Percentile Automobile:		223.55	85th Percentile Automobile:			
85th Percentile Speed (m.p.h.):		49	85th Percentile Speed (m.p.h.):			

Recorder: _____

Attachment: Dallas Parkway Speed Study Memo FINAL (Ordinance - Speed Zone Update - Dallas Parkway)

note



RADAR MOTOR VEHICLE SPEED
Field Tally Sheet

Form 1582
(Rev. 3/19)
Page 1 of 2

Date: 7-6-20 County: _____ Hwy: Dallas pky Location: Northern point (SB)

Time (from): 3pm-4pm (to): 6pm-7pm Weather: partly cloudy

Surface type: Concrete Surface condition: ☐ Wet or ☒ Dry ☐ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES		Truck's CUMULATIVE		TRUCKS & BUSES		M.P.H.
	Direction:	Cumulative Total	Direction:	Cumulative Total	Direction:	Direction:	
>80							>80
79							79
78							78
77							77
76		1					76
75							75
74							74
73							73
72							72
71							71
70							70
69							69
68							68
67							67
66		2					66
65							65
64		2					64
63							63
62		1					62
61							61
60		3					60
59							59
58		2					58
57		4					57
56		5					56
55		5					55
54		5					54
53		5					53
52		5					52
51		5					51
50		5					50
49		5					49
48		5					48
47		5					47
46		5					46
45		5					45
44		5					44
43		5					43
42		5					42
41							41
40		1					40
39							39
38							38
37							37
36							36
35							35
34							34
33							33
32							32
31							31
<30							<30
Total Automobiles		203	Total Automobiles				
		x 0.85			x 0.85		
85th Percentile Automobile:		172.55	85th Percentile Automobile:				
85th Percentile Speed (m.p.h.):		55	85th Percentile Speed (m.p.h.):				

Recorder: _____

Speed Limit
45 mph

Attachment: Dallas Parkway Speed Study Memo FINAL (Ordinance - Speed Zone Update - Dallas Parkway)

MICK

7.AG.c



**RADAR MOTOR VEHICLE SPEED
Field Tally Sheet**

Form 1832
(Rev. 3/19)
Page 1 of 2

Date: 7-1-20 County: _____ Hwy: Dallas Pkwy Location: Mid point (SB)
 Time (from): 1 PM (to): 3 PM Weather: partly cloudy
 Surface type: concrete Surface condition: ☐ Wet or ☒ Dry / ☐ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES		AUTOMOBILES <u>TRUCKS</u>		TRUCKS & BUSES		M.P.H.
	Direction:	Cumulative Total	Direction:	Cumulative Total	Direction:	Direction:	
>80							>80
79							79
78							78
77							77
76							76
75							75
74							74
73							73
72							72
71							71
70							70
69							69
68		1					68
67							67
66							66
65		2					65
64							64
63		1					63
62							62
61		1					61
60							60
59		1					59
58		3					58
57							57
56		4					56
55		5		1			55
54		6		2			54
53		7		3			53
52		8		4			52
51		9					51
50		10		5			50
49		11					49
48		12		6			48
47		13		8			47
46		14		9			46
45		15		10			45
44		16		11			44
43		17		12			43
42		18		13			42
41		19					41
40		2		1			40
39							39
38							38
37							37
36							36
35				1			35
34				1			34
33							33
32				1			32
31							31
<30							<30
Total Automobiles		226	Total Automobiles				
		x 0.85			x 0.85		
85th Percentile Automobile:		192.1	85th Percentile Automobile:				
85th Percentile Speed (m.p.h.):		53	85th Percentile Speed (m.p.h.):				

Speed Limit
45 MPH

Recorder: _____

Attachment: Dallas Parkway Speed Study Memo FINAL (Ordinance - Speed Zone Update - Dallas Parkway)

nick

7-1-20

7.AG.c



**RADAR MOTOR VEHICLE SPEED
Field Tally Sheet**

Form 1632
(Rev. 3/19)
Page 1 of 2

Date: 7-1-20 County: _____ Hwy: Dallas Pkwy Location: Southern point
 Time (from): 9 AM (to): 11 AM Weather: Cloudy / Partly cloudy
 Surface type: Concrete Surface condition: ☐ Wet or ☒ Dry / ☐ Smooth or ☐ Rough

M.P.H.	AUTOMOBILES	Cumulative Total	AUTOMOBILES TRUCKS	Cumulative Total	TRUCKS & BUSES		M.P.H.
	Direction:		Direction:		Direction:	Direction:	
>80							>80
79							79
78							78
77							77
76							76
75							75
74							74
73							73
72							72
71							71
70							70
69							69
68							68
67							67
66							66
65							65
64							64
63							63
62							62
61							61
60							60
59							59
58		3					58
57		2					57
56		3					56
55		9					55
54		1					54
53		13					53
52		16					52
51		20					51
50		36					50
49		27					49
48		26					48
47		40					47
46		28					46
45		38					45
44		26					44
43		18					43
42		17					42
41		5					41
40		7					40
39		4					39
38		5					38
37							37
36		3					36
35							35
34							34
33							33
32							32
31							31
<30							<30
Total Automobiles		343	Total Automobiles				
		x 0.85			x 0.85		
85th Percentile Automobile:		291.55	85th Percentile Automobile:				
85th Percentile Speed (m.p.h.):		51	85th Percentile Speed (m.p.h.):				

Speed Limit
45 MPH

Attachment: Dallas Parkway Speed Study Memo FINAL (Ordinance - Speed Zone Update - Dallas Parkway)

APPENDIX B – TomTom DATA

Northern Study Point:

Speed [mph]

Timeset	5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	55th	60th	65th	70th	75th	80th	85th	90th	95th
^ Feb 2020 Weekdays																			
Off-Peak	39.82	41.89	43.3	44.06	44.69	45.31	46.24	46.69	47.31	47.79	48.42	49.04	49.79	50.42	51.04	51.97	53.21	54.63	56.94
^ Feb 2020 Weekends																			
Off-Peak	42.37	44.24	45.48	46.1	46.86	47.48	48.24	48.69	49.35	49.97	50.59	51.21	51.83	52.63	53.39	54.32	55.56	56.81	59.33

Middle Study Point:

Speed [mph]

Timeset	5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	55th	60th	65th	70th	75th	80th	85th	90th	95th
^ Feb 2020 Weekdays																			
Off-Peak	37.83	40.55	42.1	43.35	44.12	45.06	45.68	46.3	46.92	47.7	48.32	48.79	49.41	50.34	51.12	51.89	52.98	54.38	56.86
^ Feb 2020 Weekends																			
Off-Peak	41.01	43.65	44.9	45.83	46.61	47.39	48.16	48.63	49.41	50.03	50.65	51.27	52.05	52.67	53.45	54.38	55.15	56.86	58.88

Southern Study Point:

Speed [mph]

Timeset	5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	55th	60th	65th	70th	75th	80th	85th	90th	95th
^ Feb 2020 Weekdays																			
Off-Peak	32.62	35.73	37.28	38.37	39.3	40.08	41.01	41.63	42.25	42.87	43.19	43.81	44.43	45.05	45.67	46.6	47.54	48.78	50.33
^ Feb 2020 Weekends																			
Off-Peak	36.04	38.68	40.08	41.01	41.94	42.56	42.87	43.5	44.12	44.43	45.05	45.36	45.98	46.6	47.22	47.85	48.78	50.02	51.57



Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dawn Berry, Purchasing Manager
CC: Andy Glasgow, Asst Director of Engineering
Date: September 8, 2020
Re: Preston Road Water & Sewer Line Improvements Change Order 3

Action Requested:

Consider and act to authorize Change Order 3 with Quality Excavation for the Preston Road Water & Sewer Line Improvements in the amount of \$93,130.00. (Berry)

Background Information:

On March 10, 2020 Council authorized the contract and contingency with Quality Excavation for the Preston Road water and sewer line (bid #2020-0027). Contingency is included to cover unforeseen issues during the course of construction. The following item are including in change order 3.

- Pressure Relief Valve and Vault

Alternatives:

Council may reject the change order and direct staff.

Financial Considerations:

Funding is available in project W18.

Supporting Documents:

Change Order 3

Staff Recommendation:

Approval of Change Order 3

CITY OF CELINA

CHANGE ORDER # 3 PO # 20-00002465 CONTRACT # 16567
 BID/PROJECT NAME: Preston Road Water & Sewer Line #CEL16567
 VENDOR NAME: Quality Excavation, Ltd

Item	Description	Amount	Days (+/-)
1	8" PRV & Vault	\$ 91,930.00	0
2	Additional Bond	\$ 1,200.00	
3		\$ -	
4		\$ -	
5		\$ -	
Total Change		\$ 93,130.00	0

Change in Contract Price:	
Original Contract Price:	\$1,488,533.02
Change Order #1	\$8,000.00
Change Order #2	\$14,900.00
Change Order #3	\$93,130.00
Change Order #4	\$0.00
Change Order #5	\$0.00
New Contract Amount	\$1,604,563.02
Percentage of Original Contract:	7.79%

Change in Contract Times:	
Original Number of Days:	150
Change Order 1	
Change Order 2	
Change Order 3	
Change Order 4	
Change order 5	
New Number of Days	
New End Date:	

Please amend the PO by adding or deducting the following amounts to/from the funding sources listed here:

Account Number	Amount
W18-8502-719	\$93,130.00

APPROVAL: Contractor

Rich Elliott

Rich Elliott Utilities Division Manager

8/25/2020

Signature Contractor

Printed Name & Title

Date

APPROVAL: Town of Little Elm

K. Smayda

8/27/20

[Signature]

8/28/20

Project Manager

Date

Director

Date

[Signature] 8-28-20

Inspector

Date

Town Manager

Date

Is the change order amount over 25% of the original contract?
 If yes, date of Council authorization (approval of new amount)
 Was a budget amendment form needed / submitted?
 JE Date for budget transfer.

Yes No
 Date
 Yes No
 Date

Dawn Berry, Purchasing Agent

Date

Finance

Date



Quality Excavation, LLC.
 5580 US Hwy 377
 Aubrey, TX 76227
 (940) 365-0800 Office

August 25, 2020

Project: **Preston Rd Water & Sewer Pressure Reducing Valve Vault Change Order Proposal**
 City: Celina

8" PRV & Vault

Item	Description	Quantity	U/M	Unit	Total
1	8" Pressure Reducing Valve Vault Breakdown: Materials 8" Cla-Val PR Valve (\$14,650) 10' x 10' Vault (\$19,525) Hatches (\$5,350) 3 - 8" Gate Valves (\$2,550) 3 - Flg Cplg Adapter (\$1,530) Labor Equipment Mark up - Overhead - Profit (15%)	1	LS	\$ 91,930.00 \$ 67,010.00 \$ 6,983.00 \$ 5,946.00 \$ 11,991.00	\$ 91,930.00
2	Additional Bond	1	LS	\$ 1,200.00	\$ 1,200.00
8" PRV & Vault Total					\$ 93,130.00

QUALIFICATIONS:

- ~ Pricing based on Freese & Nichols Engineering detail plan sh. DT-3 dated 8/3/2020.
- ~ Noted lead time 6 - 8 weeks on concrete vault and 8 - 10 weeks on 8" PRV per manufacturer.
- ~ No accommodations for keeping any extension of the 12" waterline live will work is in progress. No one should be tied onto the 12" stubout across Preston Rd.
- ~ No sales tax on incorporated materials.
- ~ No compaction testing, concrete testing, or any geotechnical testing included
- ~ No landscaping, topsoil, sod, or seeding.
- ~ No traffic control, barricades, etc..
- ~ No installation, removal, or maintenance of erosion control devices.

Respectfully Submitted

Rich Elliott

Attachment: CO3 - PRV (003) (Preston Road Water & Sewer Line CO 3 (W18))



Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dawn Berry, Purchasing Manager
CC: Andy Glasgow, Asst Director of Engineering
Date: September 8, 2020
Re: Turf Installation, R12

Action Requested:

Consider and act to cancel the agreement for installation of synthetic turf from Masters of Turf USA, LLC through an interlocal agreement with Sourcewell, contract 060518-SII in an amount not to exceed \$90,541.25 plus ten percent contingency in the amount of \$9,054.13 for a total amount of \$99,595.38. (Berry)

Background Information:

On August 11, 2020 Council authorized an agreement for the installation of turf material in the Town Square. Staff has determined that the material quoted is not a long term solution and would require replacement within a couple of years. Staff is requesting the agreement be cancelled to allow staff time to research turf products.

Financial Considerations:

There are no financial implications.

Cancellation of Contract

Staff Recommendation:

Cancel contract with Masters of Turf



Life Connected.

Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Andy Glasgow, Asst Director of Engineering
 Date: September 8, 2020
 Re: <Insert Subject/RE Here>

Action Requested:

Consider and act to authorize the City Manager to enter into an Interlocal Agreement with the Town of Prosper and Collin County to provide construction inspection services for the construction of Frontier Parkway from Preston Road (SH 289) to Dallas Parkway. (Brawner)

Background Information:

The City of Celina, Town of Prosper, and Collin County entered into an Interlocal Agreement for the construction of Frontier Parkway from Preston Road (SH 289) and Dallas Parkway. The project is currently expected to take over two years and approximately \$25,000,000. The city is responsible for 1/3 of the cost of the total construction project per the approved interlocal agreement. The City of Celina currently provides inspection services for all city projects as part of our standard operating procedure. Inspection services typically costs 1-2% of the total project cost. At 2%, the cost of construction inspection for this project is approximately is \$500,000. The goal is to share the responsibility for construction inspection with the Town of Prosper and save the project the approximate cost.

Board Review/Citizen Input:

N/A

Alternatives:

Council could chose to not approve the interlocal and the cost of the inspection would be added to the total project cost.

Financial Considerations:

Funding of the construction inspection is within the existing city budget.

Legal Review:

The City attorney has reviewed and approved the agreement.

Supporting Documents:

Interlocal Agreement

Staff Recommendation:

Staff recommends approval.

**INTERLOCAL AGREEMENT AMONG
THE TOWN OF PROSPER, TEXAS, THE CITY OF CELINA, TEXAS
AND COLLIN COUNTY, TEXAS FOR CONSTRUCTION INSPECTION ON
FRONTIER PARKWAY
FROM PRESTON ROAD (SH 289) TO NORTH DALLAS PARKWAY**

THIS AGREEMENT ("Agreement") is made and entered into by and among the **TOWN OF PROSPER, TEXAS**, a home-rule municipal corporation, hereinafter referred to as ("Prosper"); the **CITY OF CELINA, TEXAS**, a home-rule municipal corporation, hereinafter referred to as ("Celina"); and **COLLIN COUNTY, TEXAS**, a political subdivision of the State of Texas, hereinafter referred to as ("Collin County"). Prosper, Celina, and Collin County may from time to time herein be referred to collectively as "Parties" and individually as a "Party".

WHEREAS, the Interlocal Cooperation Act ("Act"), codified at Chapter 791 of the Texas Government Code, authorizes units of local government to contract with one or more units of local government to perform governmental functions and services; and

WHEREAS, Prosper, Celina and Collin County are political subdivisions of the State of Texas and are engaged in the provision of governmental services for the benefit of their citizens and users; and

WHEREAS, this Agreement is entered into pursuant to the authority, under the provisions of, and in accordance with, the Act for the performance of governmental functions and services; specifically, the service of providing construction inspection of Frontier Parkway from Preston Road (SH 289) to North Dallas Parkway hereinafter referred to as ("Project"); and

WHEREAS, Prosper, Celina and Collin County have determined that the Project may be completed and maintained most economically by implementing this Agreement; and

WHEREAS, each of Prosper, Celina and Collin County has current funds available to satisfy any fees and costs required pursuant to this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained in this Agreement, Prosper, Celina and Collin County agree as follows:

I.

TERM; TERMINATION

This Agreement is effective upon the execution and delivery by all parties, and shall continue in effect until such time as the Project is complete, unless any party gives written notice to the other parties to the contrary not less than ninety (90) days prior to the expiration of the then-current term. Notwithstanding the foregoing, however, this Agreement may be terminated by any party, with or without cause, and without penalty or prejudice to any other remedy it may be entitled to at law, or in equity or otherwise under this Agreement, by giving the other parties at least ninety days' prior written notice of the termination date, in which event this Agreement shall terminate as to all parties as of such termination date.

II.

ROLES AND RESPONSIBILITIES OF THE PARTIES

Attachment: Construction inspection agreement 082720 (Prosper ISD & Celina Land Exchange)

The City of Celina and the Town of Prosper will share primary responsibilities for the construction inspection for the duration of the Project. The duties and responsibilities of the construction inspection have been outlined in Exhibit "A".

For the duration of the Project, all parties agree to the following:

1. Prosper, Celina and Collin County shall each designate a program liaison who will manage program details and coordinate with the respective designated liaisons during the construction inspection process. Staff representatives shall be as follows:

Celina Representative: Alan Anderson, Construction Manager

Town of Prosper Representative: Carlos Quiroz, Construction Superintendent

Collin County Representative:

2. Material testing will provided under a separate contract which will be managed by Collin County. Reports will be sent to all representatives identified in the pre-construction meeting.
3. Bridge inspection will provided under a separate contract which will be managed by Collin County.
4. Pre-construction meeting will be managed by the City of Celina and Town of Prosper Representatives.
5. Monthly Progress Meetings will be managed by the City of Celina and Town of Prosper Representatives.
6. Celina and Prosper agree to fund the construction inspection from existing funds. No compensation exchange will occur with the construction inspection.
7. The scope of services for the purpose of construction inspection have been identified in Exhibit "A"

III.

RELEASE AND HOLD HARMLESS

TO THE EXTENT ALLOWED BY LAW, AND WITHOUT WAIVING GOVERNMENTAL OR SOVEREIGN IMMUNITY, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO, OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

THIS INDEMNIFICATION CLAUSE IS VALID ONLY TO THE EXTENT PERMITTED B'Y THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS, PARTICULARLY SECTION 7 OF ARTICLE XI OF THE TEXAS CONSTITUTION, AND WITH THE MUTUAL UNDERSTANDING

THAT THE PARTIES ARE POLITICAL SUBDIVISIONS OF THE STATE OF TEXAS AND THAT THIS EXECUTORY INDEMNITY OBLIGATION CANNOT BE PAID FROM CURRENT REVENUES AND THAT NO TAX NOR INTEREST AND SINKING FUND HAS BEEN SET, ADOPTED OR ESTABLISHED FOR THE PAYMENT OF THIS EXECUTORY INDEMNITY OBLIGATION.

IV. INDEPENDENT CONTRACTOR

Each party covenants and agrees that each party is an independent contractor of the other parties and not an officer, agent, servant or employee of any other party and that nothing herein shall be construed as creating a partnership or joint enterprise between or among any party.

V. NOTICE

Any notice provided under this Agreement shall be delivered by mail or personal service to the parties named below:

Celina Representative:	City of Celina Attn: Kimberly Brawner, P.E. Executive Director of Public Services 142 N Ohio Celina, TX 75009
Prosper Representative:	Town of Prosper Attn: Hulon Webb, Jr., P.E. Director of Engineering Services 250 W. First Street Prosper, TX 75078
Collin County Representative:	Collin County Attn: Clarence Daughtery, P.E. Director of Engineering 4690 Community Avenue, Suite 200 McKinney, TX 75071

VII. AUTHORITY TO SIGN/CITY COUNCIL AUTHORIZATION

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.

- Prosper has executed this Agreement pursuant to duly authorized action of the Prosper Town Council on _____.
- Celina has executed this Agreement pursuant to duly authorized action of the Celina

City Council on _____.

- Collin County has executed this Agreement pursuant to duly authorized action of the Collin County Commissioners on _____.

Each of the parties shall provide written documentation evidencing the grant of approval by its respective governing body.

VIII. SEVERABILITY

The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held to be contrary to the law or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of the Agreement. However, upon the occurrence of such event, any party may terminate this agreement by giving the other parties thirty (30) days written notice.

IX. VENUE

This Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. The parties agree that this Agreement shall be enforceable in Collin County, Texas, and if legal action is necessary, exclusive venue shall lie in Collin County, Texas.

X. INTERPRETATION OF AGREEMENT

Although this Agreement is drafted by Celina, this is a negotiated document. Should any part of this Agreement be in dispute, the parties agree that the Agreement shall not be construed more favorably for or against any party.

XI. REMEDIES

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy granted by law or equity; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the parties. It is further agreed that one (1) or more instances of forbearance by any party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

XII. SUCCESSORS AND ASSIGNS

The parties each bind themselves, their respective successors, executors, administrators and assigns to the other parties to this Agreement. No party will assign, sublet, subcontract or transfer any interest in this Agreement without the prior written consent of the other parties.

No assignment, delegation of duties or subcontract under this Agreement will be effective without the written consent of all parties.

XIII. IMMUNITY

It is expressly understood and agreed that, in the execution and performance of this Agreement, no party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

XIV. MULTIPLE COUNTERPARTS

This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.

XV. ENTIRE AGREEMENT

This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and may only be modified in a writing executed by all parties.

IN WITNESS WHEREOF, the parties have executed this Agreement by signing below:

CITY OF CELINA, TEXAS

Signed: _____

Printed Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Hayes, Berry, and Van Zandt
City Attorney

TOWN OF PROSPER, TEXAS

Signed: _____

Printed Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:_____
Brown & Hofmeister, L.L.P.

Town Attorney

COLLIN COUNTY, TEXAS

Signed: _____

Printed Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Abernathy Roeder Boyd & Hullett P.
City Attorney

Exhibit “A”

Project Description:

As part of the expansion for Frontier Parkway from Dallas North Tollway to Preston Road, the City of Celina and the Town of Prosper are proposing to provide the daily construction inspection for the Project as outlined below.

Storm System Inspection:

The City of Celina and the Town of Prosper will conduct the field inspection for all stormwater infrastructure as detailed in the approved construction plans and specifications.

1. Pipe materials.
2. Pipe embedment.
3. Backfill and compaction.
4. Culverts and headwalls
5. Channel excavation and lining.
6. Manholes, inlets and junction boxes.
7. Outfall structures.
8. Oversee the material testing lab while conducting tests.
9. Inspect proper trench safety in being used and address issues with contractor.

SWPPP Inspection:

The City of Celina and the Town of Prosper will conduct the weekly field inspection for all SWPPP related items as detailed in the approved construction plans and specifications.

1. Inspection of temporary and permanent BMP's.
2. Document and coordinate necessary repairs in weekly report.
3. Address any SWPPP related violations with contractor and correct issues as needed.
4. Revegetation of disturbed areas with sod or seed for final erosion control.

Paving Inspection:

The City of Celina and the Town of Prosper will conduct the field inspection for all paving infrastructure as detailed in the approved construction plans and specifications.

1. Subgrade gradation, depth checks and densities.
2. Verify materials, lift depth and compaction requirements for:
 - a. Moisture treated subbase and flexible base subgrade.
 - b. Bridge embedment drains and embankment materials.
3. Steel inspection.
4. Concrete depth verification.
5. Oversee the material testing lab while conducting tests.
6. Driveway connection and coordinate with affected residents and businesses.

Grading Inspection:

The City of Celina and the Town of Prosper will conduct the field inspection for all associated grading as detailed in the approved construction plans and specifications.

1. Curb and sidewalk backfill.
2. Side slopes and cross slopes outside back of curb.
3. Proper median backfill.
4. Proper slope grading.
5. Ensure proper drainage to avoid ponding.
6. Restoration of disturbed areas.

Other Inspection:

The City of Celina and the Town of Prosper will conduct the following additional inspections.

1. Electrical, lighting and underground conduits (not included in Terracon's scope for bridge and retaining walls).
2. Signs and pavement markings.
3. Permanent railing and traffic barriers.
4. Coordinate with BNSF representatives for construction of temporary at-grade crossing, drainage improvements in BNSF ROW and removal of existing BNSF at-grade crossing.
5. Coordinate with Collin County and Project Engineer regarding field changes and change orders.

Contractor Coordination:

The City of Celina and the Town of Prosper will coordinate with the contractor on a day to day basis to help avoid change orders and time delay.

1. Identify possible conflicts and issues and communicate them to contractor.
2. Communicate testing failures.
3. Attend weekly/biweekly construction meetings.
4. Help coordinate traffic switched and lane closures with stake holders and traveling public.

Payment Verification:

The City of Celina and the Town of Prosper will conduct the field verification of the proposed contractor monthly invoices and discuss any discrepancies with contractor prior to submitting the invoice to the Project Engineer for review and Collin County for payment.

Reports Provided:

The City of Celina and the Town of Prosper will document and maintain daily work logs, photographs, SWPPP reports test result from material testing lab and provide them to Collin County and the Project Engineer on a monthly basis and to all stakeholders at the end of the project or as needed to resolve disputes with contractor.



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City Secretary
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Vicki Tarrant, City Secretary
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Election Order Amendment-Early Voting

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas, amending Resolution No. 2020-42R to extend the dates for early voting consistent with the order of the Governor of the State of Texas. (Tarrant)

Background Information:

It is necessary to amend Resolution 2020-42R to be consistent with the Governor's action suspending Section 85.00 1(a) of the Texas Election Code to the extent necessary to require that, for any election ordered or authorized to occur on November 3, 2020, early voting by personal appearance shall begin on Tuesday, October 13, 2020, and shall continue through the fourth day before election day and suspended Section 86.006(a-1) of the Texas Election Code, for any election ordered or authorized to occur on November 3, 2020, to the extent necessary to allow a voter to deliver a marked mail ballot in person to the early voting clerk's office prior to and including on election day

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

The City Attorney has prepared the resolution.

Supporting Documents:

Resolution

Staff Recommendation:

CITY OF CELINA, TEXAS
RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY OF CELINA, TEXAS, AMENDING RESOLUTION NO. 2020-42R TO EXTEND THE DATES FOR EARLY VOTING CONSISTENT WITH THE ORDER OF THE GOVERNOR OF THE STATE OF TEXAS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Celina, Texas (the “City”) is a Home Rule municipality located in Collin County, Texas, and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the Celina Home Rule Charter; and

WHEREAS, pursuant to Section 418.016 of the Texas Government Code, on July 27, 2020 the Governor of the State of Texas suspended Section 85.00 1(a) of the Texas Election Code to the extent necessary to require that, for any election ordered or authorized to occur on November 3, 2020, early voting by personal appearance shall begin on Tuesday, October 13, 2020, and shall continue through the fourth day before election day and suspended Section 86.006(a-1) of the Texas Election Code, for any election ordered or authorized to occur on November 3, 2020, to the extent necessary to allow a voter to deliver a marked mail ballot in person to the early voting clerk’s office prior to and including on election day; and

WHEREAS, the City Council hereby amends Ordinance No. 2020-42R to update all matters related to the Joint General Election being held on November 3, 2020.

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

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct, and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. In accordance with the Governor’s Order of July 27, 2020, Celina Resolution No. 2020-42R, Section 9 (c) shall be amended to read as follows:

“(c) Early voting by personal appearance shall begin Tuesday, October 13, 2020, and end on Friday, October 30, 2020, and shall be conducted during the following hours:

Day	Date	Hours of Operation
Tuesday	October 13, 2020	7:00 am to 7:00 pm
Wednesday	October 14, 2020	7:00 am to 7:00 pm
Thursday	October 15, 2020	7:00 am to 7:00 pm
Friday	October 16, 2020	7:00 am to 7:00 pm

Monday	October 19, 2020	7:00 am to 7:00 pm
Tuesday	October 20, 2020	7:00 am to 7:00 pm
Wednesday	October 21, 2020	7:00 am to 7:00 pm
Thursday	October 22, 2020	7:00 am to 7:00 pm
Friday	October 23, 2020	7:00 am to 7:00 pm

Monday	October 26, 2020	7:00 am to 7:00 pm
Tuesday	October 27, 2020	7:00 am to 7:00 pm
Wednesday	October 28, 2020	7:00 am to 7:00 pm
Thursday	October 29, 2020	7:00 am to 7:00 pm
Friday	October 30, 2020	7:00 am to 7:00 pm

There will be no early voting by personal appearance on Saturday, October 17, 2020, October 24, 2020 and Sunday October 25, 2020.

SECTION 3. All other articles, chapters, sections, paragraphs, sentences, phrases and words are not amended but are hereby ratified and affirmed.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, this the 14th day of July, 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

Lance Vanzant, City Attorney



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Robin Bromiley, Director of Finance
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Public Hearing - FY2020-2021 Budget

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony and receive public input regarding the proposed FY2020-2021 budget. (Bromiley)

Background Information:

The purpose of this agenda item is to comply with Local Government Code and the Home Rule Charter requirements for budget adoption. The Proposed Budget has been placed on file with the City Secretary in addition to being placed on the city's website for public inspection.

The proposed budget was discussed at City Council Budget Workshop dated July 31st. A Notice of Budget Hearing was published in the *Celina Record* on August 21, 2020.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

FY2020-2021 Proposed Budget
 Notice of Budget Hearing

Staff Recommendation:



2020 - 2021 PROPOSED ANNUAL BUDGET

COUNCIL ACTION: SEPTEMBER 2020 | PUBLISH DATE 2020

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



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**PROPOSED BUDGET AND FINANCIAL PLAN
FY 2020-2021**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,150,510, which is a 27 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,744,048.

CITY COUNCIL RECORD VOTE

The members of the governing body voted on the adoption of the budget as follows:

FOR:

AGAINST:

PRESENT AND NOT VOTING:

NOT PRESENT DURING VOTING:

ABSENT:

TAX RATE	ADOPTED FY 2019-2020	PROPOSED FY 2020-2021
Property Tax Rate	\$ 0.645000	\$ 0.645000
No-New-Revenue (Effective) Tax Rate	\$ 0.633998	\$ 0.633518
No-New Revenue (Effective) M&O Rate	\$ 0.378862	\$ 0.437803
Voter-Approval (Rollback) Tax Rate	\$ 0.600487	\$ 0.645000
De Minimis Rate	\$ N/A	\$ 0.655554
Debt Rate	\$ 0.191317	\$ 0.191875

The total amount of municipal debt obligations secured by property taxes for the City of Celina is \$139,310,000.

The above information is presented on the cover page of the City's FY 2021 Proposed Budget to comply with requirements of Section 102.005 of the Texas Local Government Code.

In accordance with Section 104.0045 of the Texas Local Government Code as amended by HB 1495 - Itemization of Certain Expenditures Required in Certain Political Subdivision Budgets - expense line items for public notices and lobbying efforts are provided below:

DESCRIPTION	ADOPTED FY 2019-2020	PROJECTED FY 2020-2021
Public notices required by law	\$ 10,819.00	\$ 9,500.00
Lobbying services	\$ -	\$ -



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Mayor and City Council



Sean Terry
Mayor



Justin Steiner
Place #1



Wayne Nabors
Dep. Mayor Pro Tem



Andy Hopkins
Place #3



Carmen Roberts
Place #4



Mindy Koehne
Place #5



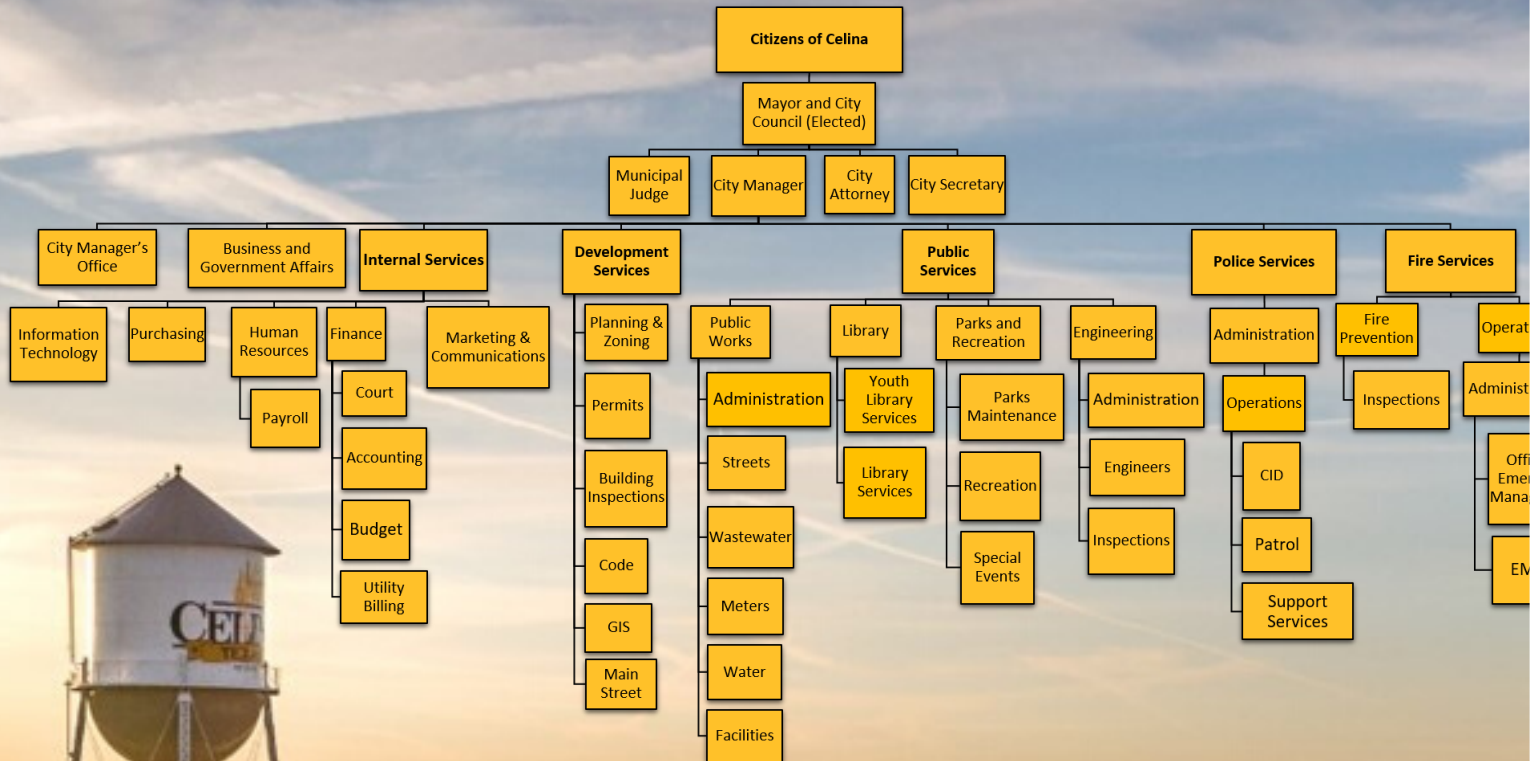
Chad Anderson
Mayor Pro Tem



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City of Celina Organizational Chart





2020 - 2021 PROPOSED BUDGET EXECUTIVE SUMMARY

COUNCIL ACTION: SEPTEMBER 2020 | PUBLISH DATE 2020

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



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Introduction

The City's budget is a complex document and represents the culmination of months of preparation and discussion among City Council, City Manager, Executive Team and the departments regarding the best ways to provide services to the community at the greatest value. This budget was developed to be consistent with the City's high performing philosophy, which strives to simultaneously deliver high product and service quality, outstanding customer value and sound financial performance.

As required by the City's Charter, the proposed budget was provided to the City Council on July 31st. Concurrently, copies of the proposed budget are made available to the public on the City's website and on file at the City Secretary's Office. The City Council considers the proposed budget and provides public hearings to adhere to the State of Texas Truth-in-Taxation reporting in addition to meet the requirements as ordered in the City Charter, Texas Tax Code and local government code.

The budget is formally adopted by the City Council during the regular City Council meeting in September. The budget goes into effect for the new fiscal year on October 1st.

Budget Philosophy

City of Celina's staff develop the operating and capital budgets so that strategic goals and long-term objectives defined in the City Council adopted 2018-2020 Strategic Plan are achieved. This strategic plan, consisting of ten goals sets the visualization and maps the course for the City. It is staff's job to move in that direction through budgeting and project implementation.

The City of Celina's internal value system stems from the philosophy of Servant Leadership and the belief that as public employees, all actions stem from the obligation to put the needs of the citizens first and dedicate our decision making and actions to the ideal that City employees exist to serve the people. This is further emphasized in the organizational values that were developed by both City Staff and City Council. These Core Values represent our highest aspirations, our moral code and what we are deeply passionate about. Integrity, Excellence, Community, and Service are the foundation of the organization for which the departmental budgets are built.

The City of Celina's budget enables the city to meet its goals of providing excellent customer service, fostering efficient and cost-effective government, maintaining the city's healthy and stable financial position, and delivering high-quality services to meet residents' needs.

This budget attempts to provide basic measurement data regarding changes in funding for various departments. The manner in which this measurement data is presented is in financial charts reflecting comparative expenditures at the departmental and operational level for the current and most recent fiscal year. Due to the nature and complex operation of each department, it is next to impossible to provide a single or even a few statistical measures. However, funding comparisons provide a broad view of changes in level of service for the departments.



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Budget Key Dates

February	Budget Kickoff. mBudget software released to departments.
March - May	Departmental submission of budget documents.
April 30, 2020	The Chief Appraiser prepares and certifies to the Tax Assessor an estimate of the taxable value.
May	Mailing of "Notices of Appraised Value" by Chief Appraiser.
June	Executive Team Budget Workshop
June	Deadline for submitting Appraisal Records to ARB.
July 20, 2020	Deadline for ARB to approve Appraisal Records.
July 25, 2020	Deadline for Chief Appraiser to certify Appraisal Rolls to each Taxing Unit.
July 25 - July 30th	Calculation of No-New-Revenue Tax Rate and Voter-Approval Tax Rate.
July 31, 2020	City Manager submits Proposed Budget to the City Council.
July 31, 2020	City Council Budget Workshop
August 11, 2020	Council Meeting for Tax Rate and Budget Submittal of No-New-Revenue and Voter Approval Tax Rate
August 21, 2020	Publish the "Notice of Tax Rates" and "Public Hearing for Proposed Tax Rate and Budget"
August 21, 2020	Post "Notice of Tax Rates" prominently on the homepage of the entity's internet website.
September 8, 2020	Public Hearing for Proposed Tax Rate and Budget
September 8, 2020	Meeting to Vote on Tax Rate and Budget
September 16, 2020	Deadline to submit the Tax Rate Ordinance to the Collin County Tax Office.
October 1, 2020	Budget becomes effective.

All Funds Overview

The total Fiscal Year 2021 budget, including all funds and transfers, is \$76,503,206 compared to \$82,552,248 initially budgeted in 2020. The budget for all funds will decrease by \$6,049,041, or 7.33% over fiscal year 2020 and was contributed to the reduction of appropriations to Capital Bond proceeds. Fiscal Year 2021 total expenditures are greater than the total revenues within the city-wide budget by \$19,659,324. The Capital Project funds have budgeted expenditures of \$19,880,084 a decrease of 41.39% over fiscal year 2020.



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The following matrix reflects changes in sources and uses of all funds by category:

Expenditures Uses of Funds	Adopted 2019-2020	Uses of Funds	Proposed 2020-2021	% of Total	Change Year Over Year	% Change
General Government	\$ 4,090,136	General Government	\$ 4,844,502	6.33%	\$ 754,366	18.44%
Public Safety	\$ 8,032,416	Public Safety	\$ 9,383,483	12.27%	\$ 1,351,067	16.82%
Development Services	\$ 3,415,784	Development Services	\$ 3,146,031	4.11%	\$ (269,753)	-7.90%
Public Services	\$ 5,907,886	Public Services	\$ 6,953,819	9.09%	\$ 1,045,933	17.70%
Utilities	\$ 16,603,861	Utilities	\$ 25,587,129	33.45%	\$ 8,983,268	54.10%
Capital Projects	\$ 33,916,430	Capital Projects	\$ 19,880,084	25.99%	\$ (14,036,346)	-41.39%
Debt Service	\$ 5,250,921	Debt Service	\$ 4,713,705	6.16%	\$ (537,216)	-10.23%
Transfers Out	\$ 5,334,813	Transfers Out	\$ 1,994,453	2.61%	\$ (3,340,360)	-62.61%
Total Uses	\$ 82,552,248	Total Uses	\$ 76,503,206	100.00%	\$ (6,049,041)	-15.06%

Revenue

The City of Celina utilizes a fiscally conservative strategy when projecting revenues. Residential and commercial growth, along with economic expectations, are primary drivers in estimating revenues. In the past several years the City of Celina has enjoyed a relatively stable upward revenue trend. This trend was caused by growth in population, property values, sales tax and the development of residential communities. While monitoring any changes in building permit fee revenues, the City still anticipates robust growth during the next several years.

The City of Celina is striving to diversify its revenues, expand the City tax base through economic expansion, maintain healthy financial reserves and hire and retain top quality workforce.

By adhering to these principals, the City will deliver cost effective services in a customer friendly, pro-business and pro-development manner.

The City applies the same principals to its non-governmental funds as well. The City of Celina assures long term water supply for future growth by investing a substantial amount on its water and wastewater infrastructures.

The City of Celina's primary source of revenue is property tax. This year, \$8,727,098 has been budgeted for all property tax collections including delinquents, penalties and for payments to the tax increment reinvestment zones (TIRZ). Property tax revenue including the items above is expected to grow \$1,607,451 or 22.58% over last year. Sales tax revenue is also expected to grow. The 1% of the City's 2% sales tax collected for FY2020-2021 budget is \$1,545,000 which is a \$252,500 or 19.54% over last year's adopted budget.

Other major sources of revenue come from rates, fees and charges. These sources are for services rendered and user fees charged such as permits, construction inspection fees, fire/ems & police fees, and utility related services.



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This category is proposed for FY 2021 at \$28,098,928 and represents about 49.43% of the City's funding of operations. The increase in rates, fees, and charges over 2020 is \$6,248,289 or about 28.6%.

The increase is attributable to growth and an adopted increase in the City's utility rates. For the fiscal year 2021, a total of \$20,580,828 has been budgeted for utility sales and other charges for services. Of this amount, \$9,500,000 or 46.16% comes from water sales, \$5,800,000 or 28.18% for sewer sales, \$2,106,500 or 10.24% from water/wastewater connection fees and an additional \$2,424,328 from other services.

Transfers between operating are part of the total sources of funds and are \$1,994,453. This number reflects one time transfers for infrastructure improvements and reimbursement of in-kind services across funds. The licenses and permits revenue of \$6,522,000 includes projected revenues of \$6,500,000 in building permits. The remaining revenue is attributable to other types of permitting and registrations required by development services. Total Revenue from all sources is broken down in the following chart:

Sources of Funds	Adopted 2019-2020	Sources of Funds	Proposed 2020-2021	% of Total	Change Year Over Year	% Change
Ad Valorem Taxes	\$ 10,568,126	Ad Valorem Taxes	\$ 13,112,578	23.07%	\$ 2,544,452	24.08%
Sales Taxes	\$ 2,662,000	Sales Taxes	\$ 2,970,000	5.22%	\$ 308,000	11.57%
Franchise & Other Taxes	\$ 352,791	Franchise & Other Taxes	\$ 517,000	0.91%	\$ 164,209	46.55%
Licenses & Permits	\$ 4,555,000	Licenses & Permits	\$ 6,522,000	11.47%	\$ 1,967,000	43.18%
Rates, Fees and Charges	\$ 21,850,639	Rates, Fees and Charges	\$ 28,098,928	49.43%	\$ 6,248,289	28.60%
Misc/Intergovernmental	\$ 2,196,202	Misc/Intergovernmental	\$ 2,304,423	4.05%	\$ 108,221	4.93%
Interest Income	\$ 1,402,300	Interest Income	\$ 1,324,500	2.33%	\$ (77,800)	-5.55%
Transfers In	\$ 5,334,813	Transfers In	\$ 1,994,453	3.51%	\$ (3,340,360)	-62.61%
Total Sources	\$ 48,921,871	Total Sources	\$ 56,843,882	100.00%	\$ 7,922,011	90.74%

Property Values and Tax

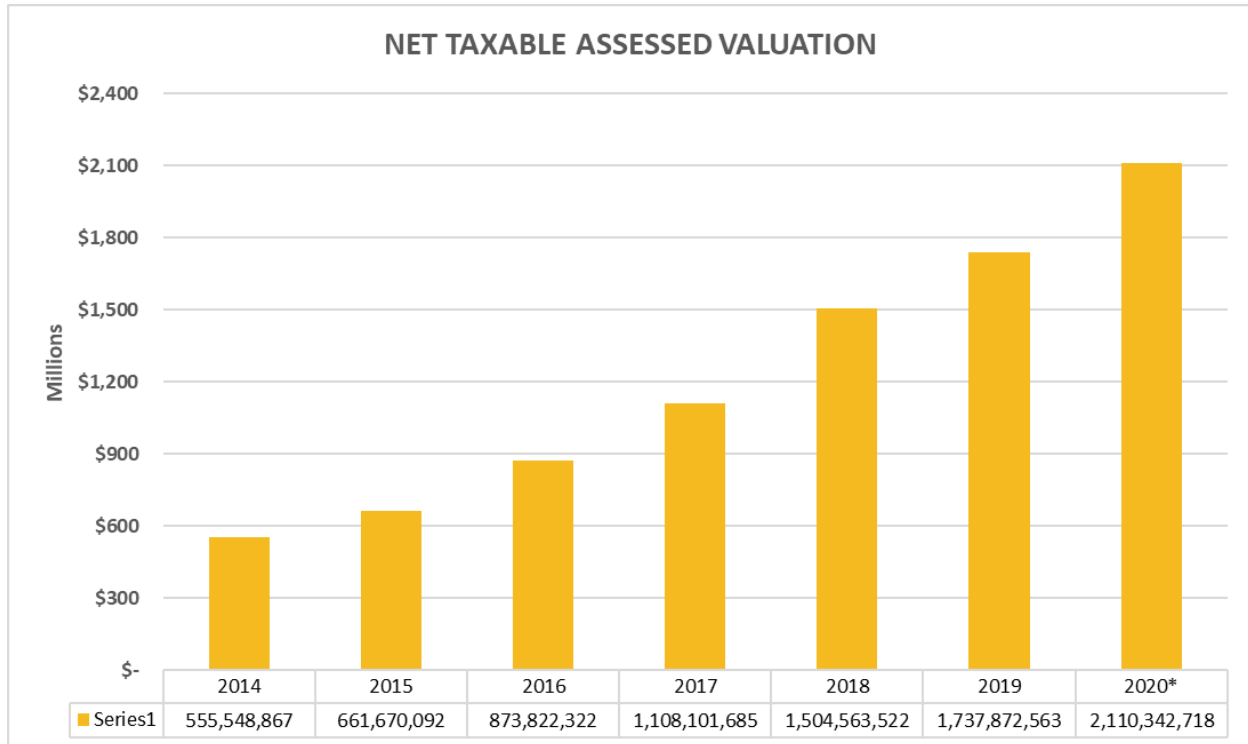
According to the Collin and Denton County Central Appraisal District (DCAD), the certified taxable value after the homesteads with tax ceiling is estimated with appraisal review board grand totals is \$2,110,342,718. This value is 26% or \$440 million more in assessed valuation than the 2019 adjusted taxable value (as of 07/30/2020). Of this increase, \$270 million is attributable to new taxable values added to the tax roll which includes improvements and personal property.

This becomes very important because when calculating the rollback rate and the effective tax rate, new taxable values are deducted from the calculation.



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The following graph reflects historical growth in taxable property values including the current year (2020) certified value:



*Preliminary Numbers

Adopted Tax Rate

The City will strive to maintain the current tax rate of \$0.645000 to keep level with cities and towns while still providing adequate revenue to fund the needs of a rapidly growing community now and into the future. As the city grows its demands for service the tax rate will also need to increase due to the growing population and rooftops. This year, the City was able to propose a tax rate of \$0.645000 and still meet those objectives.

Of the total tax rate of \$0.645000, \$0.453125 or 70.25% is dedicated to maintenance and operation expenses of the municipal government and \$0.191875 or 29.75% is dedicated to general obligation debt service.

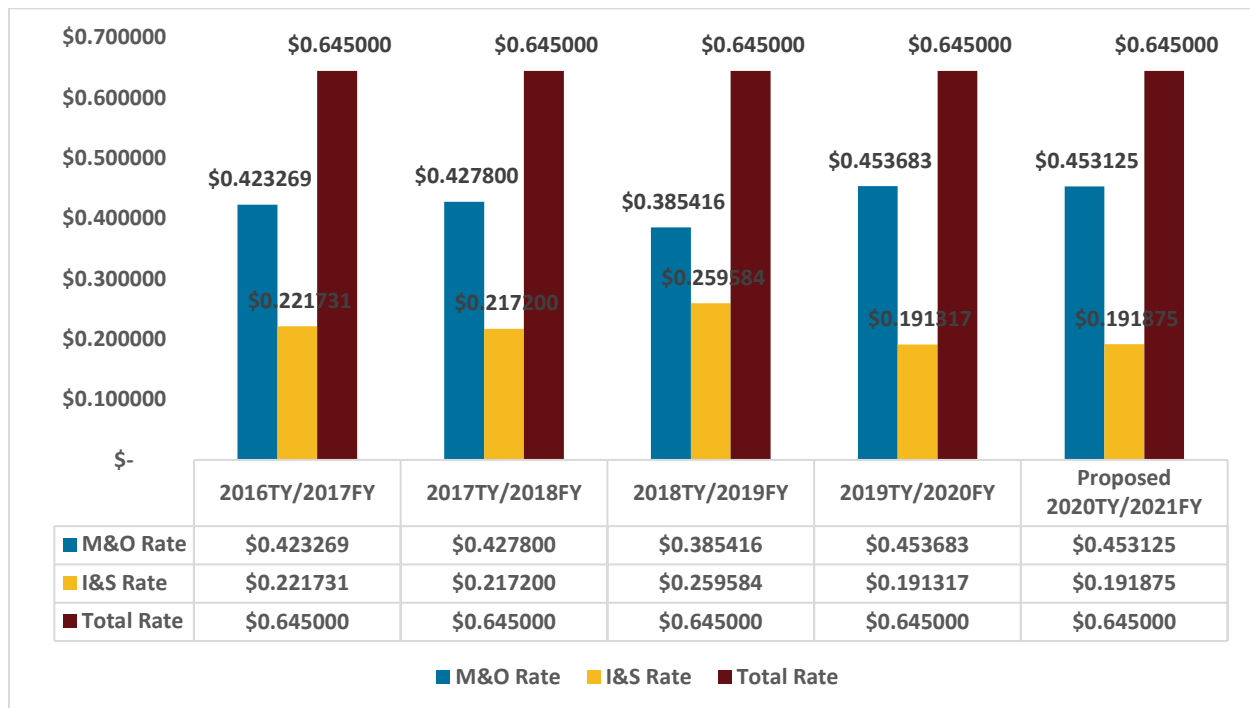
The average taxable single family home value is currently \$384,068 as of July 2020. At the property tax rate of \$0.645, the City tax paid on the average single-family home will be approximately \$2,477. For comparison purposes, a single-family home valued at \$100,000 will pay \$645.00.



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The following graph is a historical picture of the City's tax rate history for operations and debt service:

TAX RATE HISTORY BY TAX YEAR



Tax Rate Changes – Texas Senate Bill 2

Due to changes in the law handed down from the State Legislature during the 2019 legislative session, there will be changes in tax rate calculations and revenue growth beginning in the fiscal year 2021 budget. In the past, local governing bodies have had the autonomy to realize up to 8% of revenue growth from property taxes at their discretion. Beginning next year, this number has been changed to 3.5%. Celina's conservative revenue forecasts will help mitigate the negative impacts of this revenue cap to the City's operations; however, the City will have to pay close attention to revenue numbers in future years and determine when an election is necessary to keep up with demands for service.

Operating Expenditures

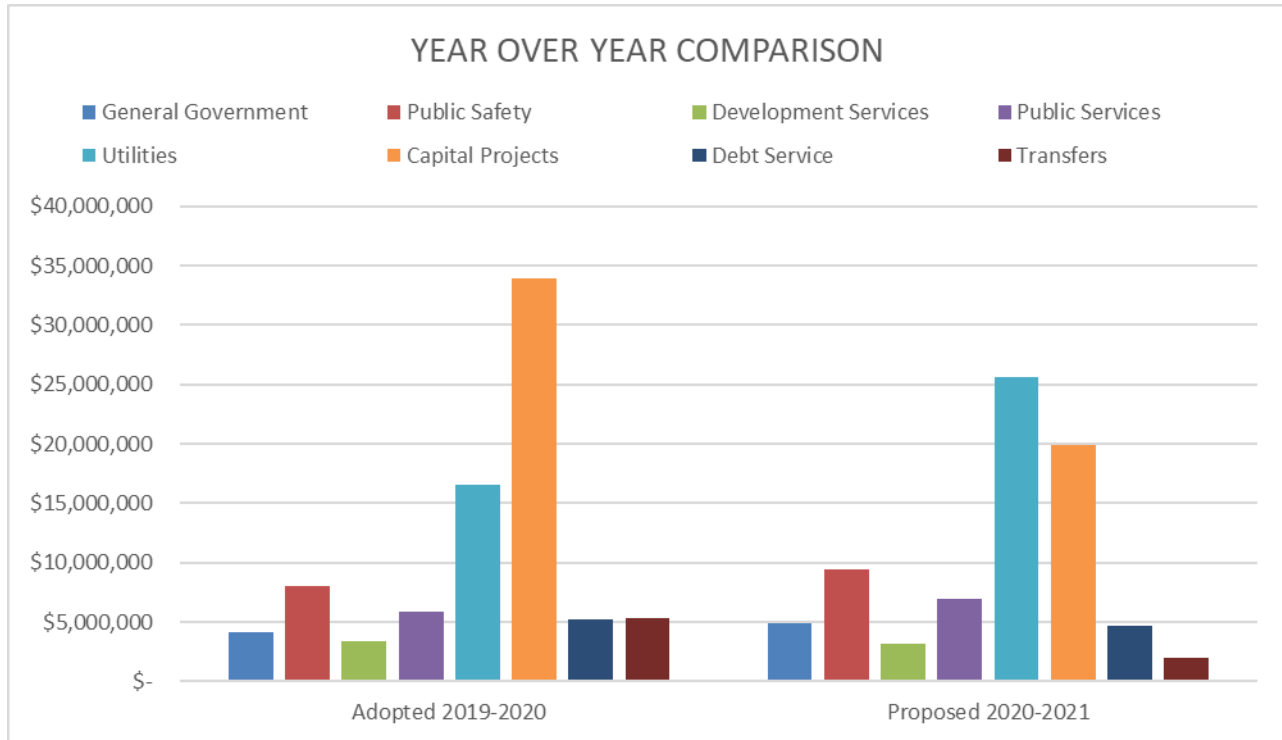
The operating budget is a combination of all costs to do business except for major capital improvement projects (CIP), transfers and debt service payments. The total of the combined operating budgets for the 2021 budget is \$49,914,964, compared with \$38,050,083 originally budgeted in FY 2020. This is an increase of \$11,864,881 or 31.19%.

Operating costs are broken down in the following chart for the City's core operating funds comparing this year to last year:

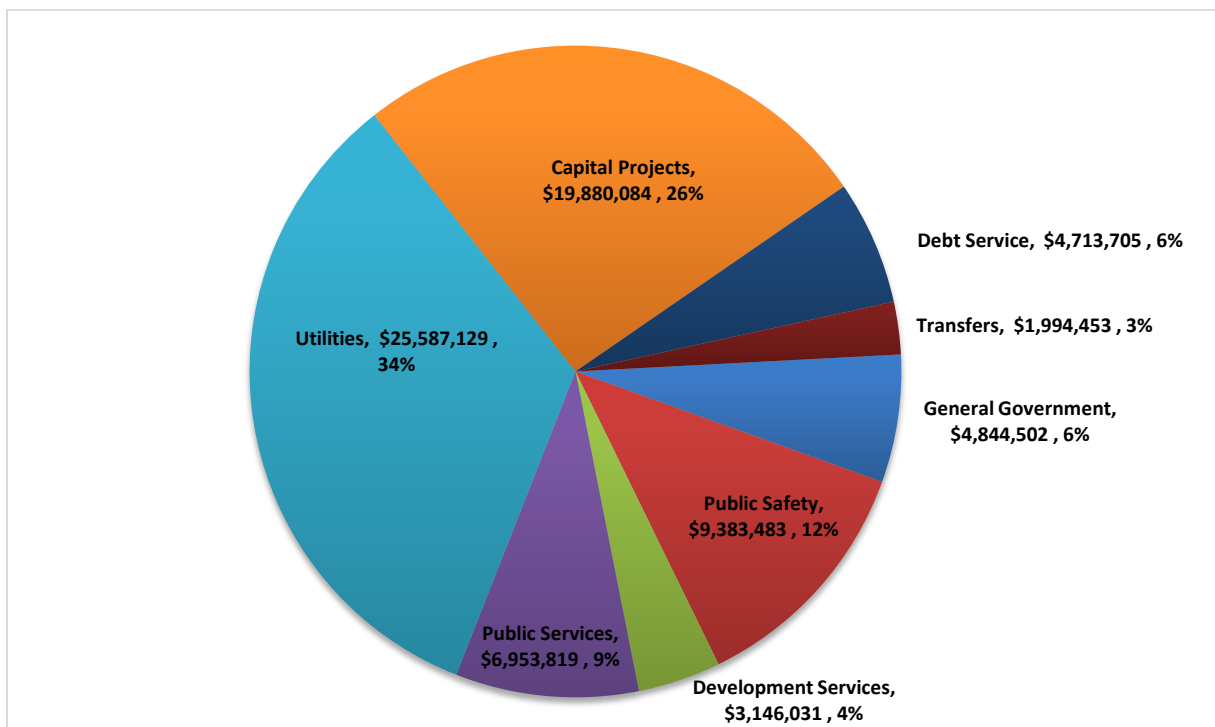


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ALL FUNDS OPERATING BUDGET



The following charts reflect the percentage cost of operations by operational function of the City:





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PROPOSED FY2020 – 2021 ONE TIME EXPENSES

- IT upgrades including new software \$82,925
- WANCO Message Board \$32,400
- Card Key Access conversion \$94,000
- Master Key Access \$10,000
- Light Farms Water Tower Generator Tie-In \$10,000
- Public Works – Concrete Saw \$41,000
- Public Works—Hydraulic Saw \$10,000
- Fleet Management Software \$8,600
- Public Works—Crane Truck \$130,275
- Retrofit GAPVAX with Hydro Excavator \$60,000

FY2020 – 2021 SIGNIFICANT CAPITAL IMPROVEMENT PROJECTS

Governmental Projects

- Police Station, Phase I Design - \$1,500,000
- Fire Station #3 Design - \$1,000,000
- Downtown Patio Plaza Design - \$725,000
- Downtown Inner Loop Construction - \$6,500,000
 - Colorado from Walnut to Maple
 - Pecan from Colorado to Arizona
 - Beech from Colorado to Louisiana
 - Ohio from Beech to Pecan
- Choate Parkway from Preston Road to Kinship Parkway - \$3,600,000
- Frontier Parkway from Dallas Parkway to Preston Road - \$5,700,000
- Old Celina Park Phase 2 - \$14,000,000
- Traditions Trail Flood Study - \$50,000
- Old Celina Park Playground Expansion - \$2,000,000
- Park Land Acquisition - \$3,000,000
- Bonfire Land Purchase for Park Expansion - TBD

Water/Wastewater Projects

- Six Million Gallon above ground storage tank - \$9,500,000
- 24" Water Line on Coit Road from Sunset to CR 100 - \$8,700,000
- 12" Water Line on N Preston Rd from Founders Lane to Settlers Ridge - \$600,000
- Design for 1 MGD Wastewater Plant Expansion - \$1,000,000
- Oklahoma Sewer Line Expansion - \$1,000,000



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Fund Balance and Reserve

There are multiple areas of reserves built into the budget. By ordinance, the City is required to maintain a 25% General Fund Balance. For FY21, this amount is approximately \$5.5 million. Revenues to pay for services are typically delayed due to the timing of growth and the new growth showing up on the tax rolls. This means that while the expenses for new growth are immediate, the revenues follow a few years later.

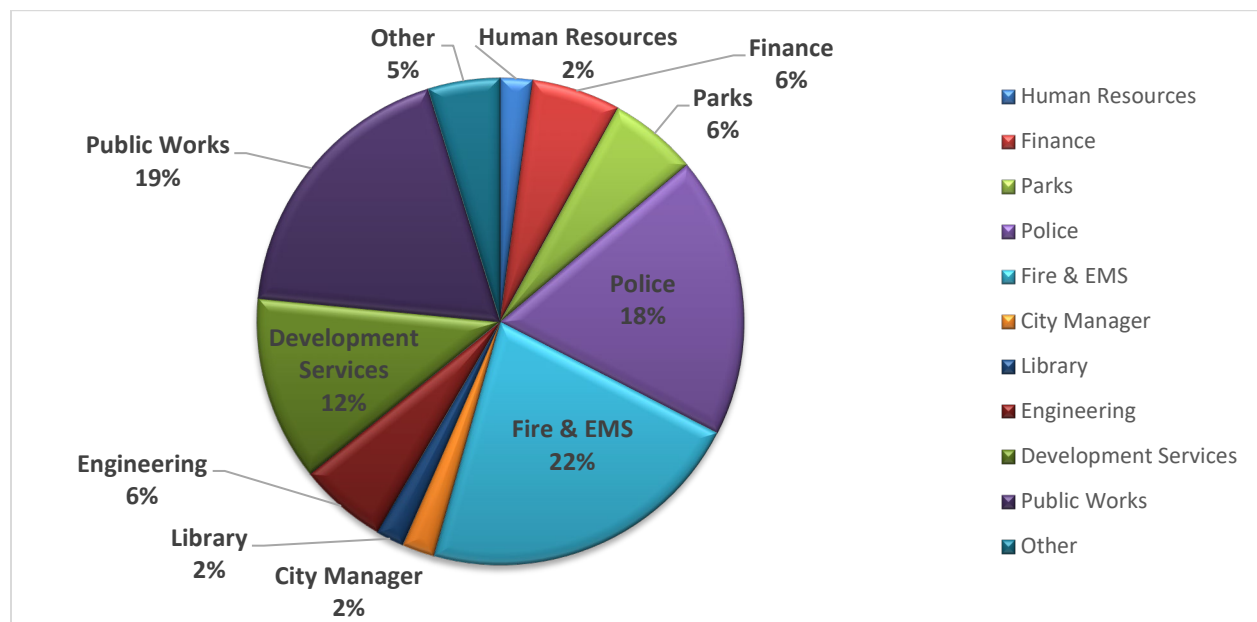
The Water/Wastewater fund predicts a working capital reserve of \$7.4 million which is approximately 40% of FY 2020 revenue received or 146 days of working capital. The Water/Wastewater Fund has multiple revenue sources, however, the main source of revenue is generated by water sales therefore is rate sensitive. Every effort is made to keep rate increases at a minimum.

Personnel

Priorities addressed in this budget are to provide adequate funding to maintain service levels in the midst of population growth and to meet the expectations of community. Although staffing changes have occurred between departments, this adopted budget maintains last year's overall total and adds an additional seventeen full-time equivalent employees. The total number of budgeted employees or FTE's (Full-time equivalents) is 187.5 for a salary with benefits cost of \$18,677,254 million (includes new positions) in FY21. This adopted budget includes a three percent (3%) step increase.

This increase is reflective of the rapid growth of both residents and businesses occurring in Celina.

The following chart is a break-out by service area across the City:





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The main operational cost increases can be attributed to the following over last year's adopted budget as follows:

- New Personnel, including Compensation and Benefits (17) \$1,237,708
 - Police Officer – PD (4)
 - Administrative Assistant – PD
 - WWTP Crew Leader – Public Works
 - Water Line Locator – Public Works
 - Drainage Technician – Public Works
 - Fleet Coordinator – Public Works
 - Facilities Technician – Public Works
 - GIS Tech – GIS/Development
 - Life Connected Coordinator – Human Resources
 - Chemical Technician – Parks
 - Parks Maintenance Worker – Parks
 - Construction Inspector – Engineering
 - Building Inspector – Development
 - Senior Planner – Planning/Development
- Compensation and Benefit Increase, Existing Personnel \$1,818,211

Texas Municipal Retirement System (TMRS)

Texas Municipal Retirement System ("TMRS"), a statewide administered pension plan, is a "cash balance plan" in which members make regular contributions to individual accounts that are matched with employer contributions and supplemented with investment income. TMRS covers 887 cities, and each city can design a benefit plan to meet its needs and cost structure.

The City provides pension benefits for all of its full-time employees through TMRS. The City continues to contribute 100% of its annual required contribution (ARC) at an actuarially determined rate and is solid. Both the employees and the City make contributions monthly. The City's TMRS plan is a 2 to 1 matching ratio with a 5 year vesting period. Service eligibility for retirement is age 60 with 5 years of service or any age with 20 years of service.

United Healthcare Insurance Company (UHC)

The City provides health, dental and vision insurance to its full time employees. United Healthcare Insurance Company offers two different plans for employees to choose from. The City provides a paid long term disability plan and offers full time employees an opportunity to purchase short term disability coverage as well. The payroll department offers administrative assistance to employees that obtain supplemental disability insurance through payroll deductions.



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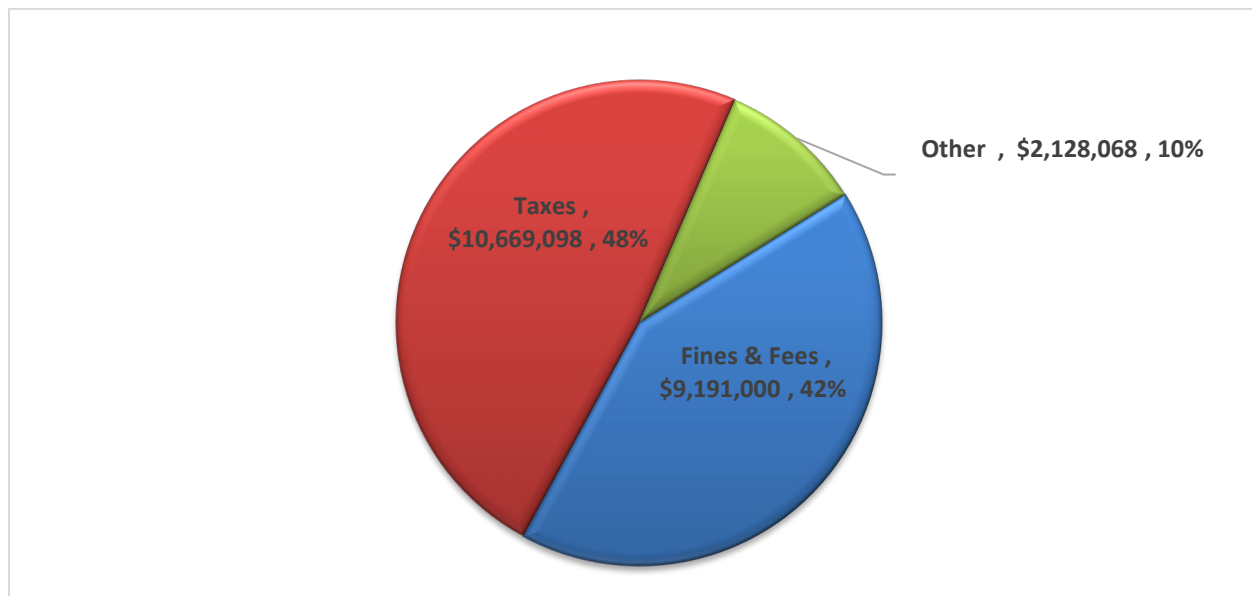
General Fund

The General Fund is the fund that encompasses the basic services of municipal government. These services include Police, Fire, Streets, Development Services, Parks, Public Works, Administration, and all other internal services. The total amount of expenditures in this fund is \$22,243,805. Without transfers to the other funds, the amount is \$21,608,080.

General Fund revenues and budgeted transfers are estimated at \$21,988,166 for FY21. This is an increase of 20.74% or \$3,776,700 over FY20. The sales tax maximum rate is 8.25% with 1% contributed to the City of Celina's General Fund. The sales tax is projected to generate revenue of approximately \$1,545,000 or 19.54% more than last year's adopted budget. This growth is a result of continued commercial development and population growth in the area.

The following chart is representative of the revenues supporting general operations:

FY 2020 – 2021 GENERAL FUND REVENUE



As discussed above, taxes represent about 48% of the total funding sources of the General Fund at \$10.4 million with property tax being the largest funding source at \$8.72 million an increase of \$1.6 million or 22.58% over the FY20 adopted budget. The growth is from new construction values and appreciation in property values.

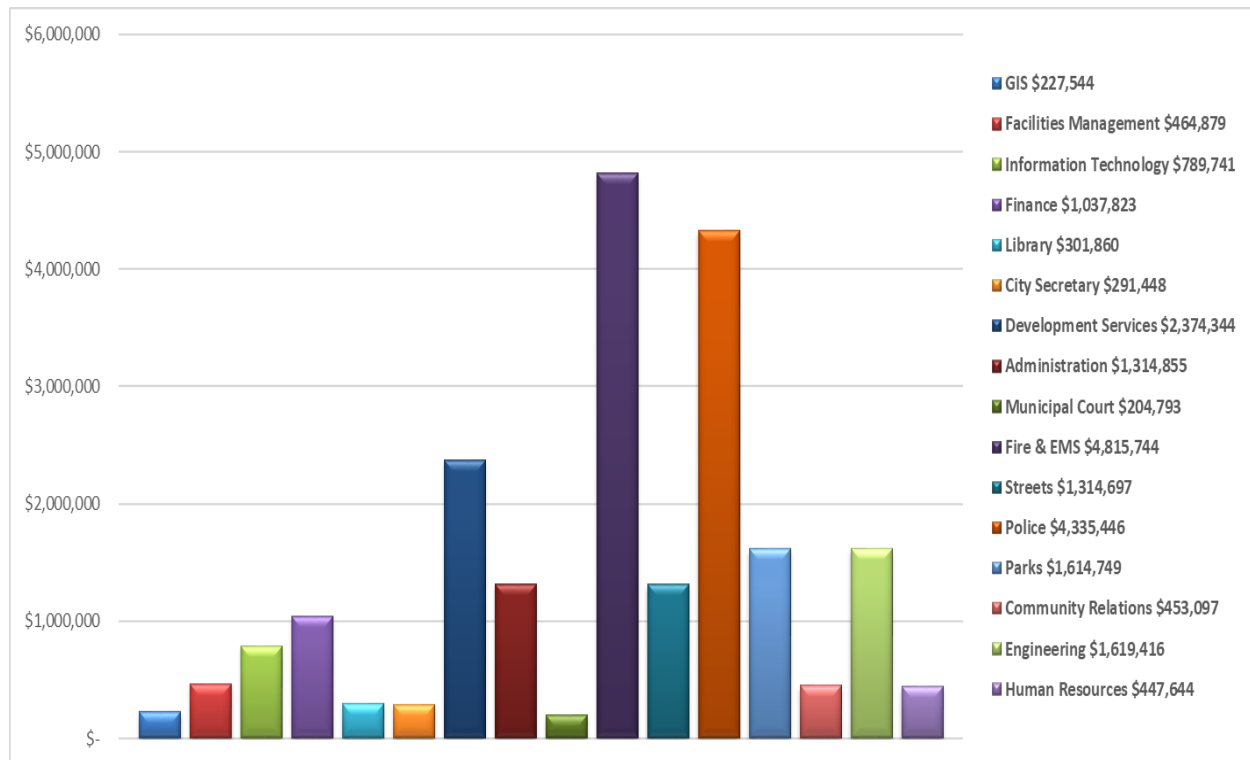
General Fund operating expenditures total \$21,608,080 before transfers out. With transfers, the total General Fund budget for FY21 is 22,243,805. This budget is a 22.46% increase or \$4,079,827 more than FY20 budget. This budget without transfers is a 21.65% increase or \$3,846,288 more than FY 2019-2020.



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The following chart is representative of the expenditures of the General Fund:

FY2020 – 2021 GENERAL FUND EXPENDITURES



Like most municipal organizations, Public Safety makes up the largest cost center of general purpose operations with a combined budget of \$9.2 million or 42.35% of the total General Fund Budget. These services include police, fire, and ems costs. By category, personnel costs represent about 73.4% or \$16.2 million of General Fund operation costs.

The City of Celina utilizes a conservative strategy when projecting revenues and expenditures. Revenue and expenditure patterns are closely monitored so that adjustments can be made readily.

Water/Wastewater Fund

The Water/Wastewater Fund (“the utility system”) is 100% self-supporting with rates and charges sufficient to cover operating, debt and various scheduled capital outlay purchases and capital infrastructure projects. The City operates a full-service utility with water production and distribution, sewer collection and treatment as well as meter billing and collection. The Water and Sewer Fund operates as a business enterprise and utilizes full accrual accounting.

The Water and Sewer Fund segregates and distinguishes water operations and sewer operations and works toward making each operation self-supporting.

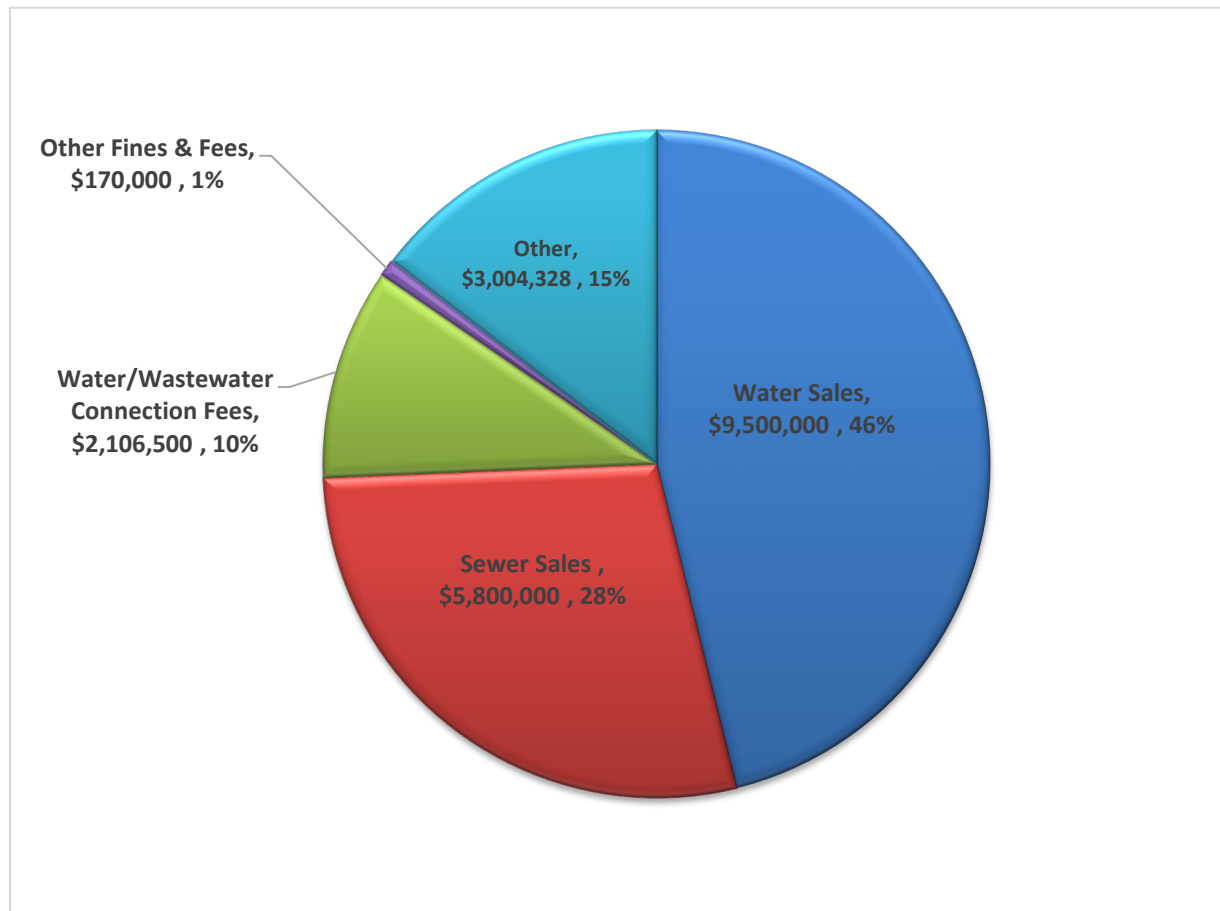


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The total Water/Wastewater Fund revenues from rates, fees, and charges as well as miscellaneous revenues is expected to be \$20,580,828 including \$500,000 in transfers. It is expected that total revenues will be 18.45% more than the prior year budget due to growth in residential and commercial connections to the City's utility system. The City does assess and collect water and sewer developer impact fees to help pay the costs of infrastructure associated with new development for both commercial and residential development.

The following chart reflects the sources of revenue supporting the City's utility system:

FY2020 – 2021 WATER/WASTEWATER FUND REVENUE

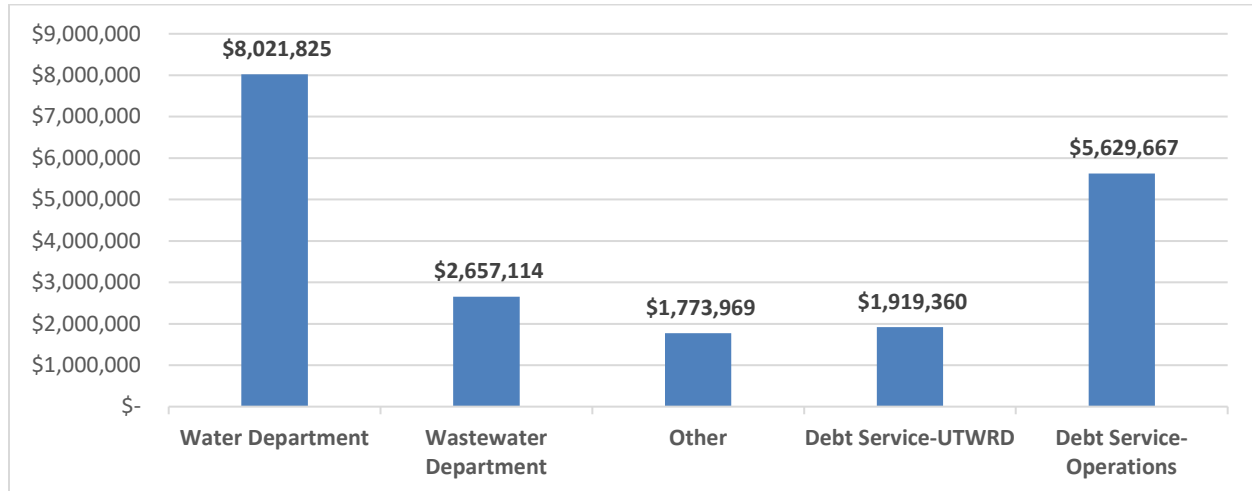


Other fees and charges are related to services performed in the field for new connections as well as penalties and interest on late payments and disconnects. Other financing sources include impact fees and other developer contributions. The Water/Wastewater expenses for operations, debt, transfers, infrastructure improvements, and capital items total \$20,860,663.



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The following graph reflects the uses of funds in the City's Water/Wastewater Fund:



The budget includes a pass-through increase for water purchased through Upper Trinity Regional Water District (UTRWD). The rate for purchased water increased 3.6% per 1,000 gallons. In fiscal year 2020-2021 the debt service requirements will increase \$782,327 or 69% over Fiscal year 2019-2020. The increase is because City of Celina's initial obligation and excess capacity for the Doe Branch plant expansion resulting in \$704,775 and \$107,155 joint facilities debt.

Integrity Fund

This fund helps with the beautification of the City of Celina. The revenue collected are allocated for improvements for sidewalks, street landscaping, signage, lighting, and façade improvements as well as music on the square and public art. The funding for this fund comes predominantly from leases the City has on its tower facilities with a minor portion driving from development fees. The FY21 revenue is approximately \$122,000 and expenditures from operations is \$177,500. Projected costs to be incurred in FY21 include Façade Grants, Neighborhood Integrity, Music on the Square and Public Art.

Capital Acquisition Fund

The Capital Acquisition Fund is a fund that Celina uses to allocate a portion of surplus revenues into for future capital expenditures. Fiscal Year 2020-2021 scheduled expenditures include but not limited to:

- Asphalt Patching Truck \$180,000
- Wayfinding System \$150,000
- Scoreboard \$100,000
- Computer Servers \$50,000
- Park Wi-Fi \$50,000



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Tax Increment Reinvestment Zone (TIRZ)

A tax increment reinvestment zone or TIRZ is created as an ordinance of the City Council of the City of Celina, Texas, designating a contiguous geographic area within the city as a reinvestment zone pursuant to Chapter 311 of the Texas Tax Code, to be known as a reinvestment zone, describing the boundaries of the zone, creating a board of directors for the zone, establishing a tax increment fund for the zone, containing findings related to the creation of the zone, providing a date for the termination of the zone, providing that the zone take effect immediately upon passage of the ordinance, providing a severability clause and providing an effective date.

Table of TIRZs in which City of Celina participates:

TIRZ #	NAME	YEAR CREATED	TIRZ Participation	FY2018-2019 Collections FY2019-2020 TIRZ Payment	FY2019-2020 Accrued Estimated FY2020-2021 TIRZ Payment*	FY2019-2020 Collections FY2020-2021 TIRZ Payment Accrual*
2	Creeks of Legacy	2014	47.63%	\$ 324,221.14	\$ 429,756.82	\$ 521,435.09
3	Wells South (Lilyana)	2015	70.00%	\$ -	\$ 302,919.80	\$ 520,485.30
4	Sutton Fields	2017	13.22%	\$ 22,766.05	\$ 82,936.96	\$ 18,305.12
5	Old Celina Limited	2016	50.00%	\$ -	\$ 2,332.82	\$ 12,866.71
6	Glen Crossing	2016	44.48%	\$ 30,767.53	\$ 101,544.04	\$ 135,568.98
7	Owensby Farms	2016	34.60%	\$ 13,017.62	\$ 26,216.53	\$ 101,928.69
8	Sutton Fields II	2017	7.76%	\$ 4,443.95	\$ 2,606.26	\$ 2,880.56
9	The Columns	2017	34.20%	\$ 1,778.78	\$ 15.24	\$ 30,013.17
10	Chalk Hill	2017	34.20%	\$ -	\$ -	\$ 15,859.66
Grand Total				\$ 396,995.07	\$ 948,328.47	\$ 1,359,343.28

*Not figures, estimate projections for TIRZ budgeting purposes.
Figures provided by Municap, Inc.

TIRZ #11

TIRZ #11 for Downtown Celina consists of approximately 687 acres and funding that supports the Downtown Celina TIRZ is based on the incremental increase of property taxes and sales taxes generated within its boundaries and is supported by City of Celina, Economic Development Corporation (EDC), Community Development Corporation (CDC), and Collin County. TIRZ #11 was established in 2017 upon the termination of TIRZ #1. In 2017, the taxable base was \$86,443,673. For 2020, the TIRZ estimated value of \$111,241,685 represents an increase of \$24,798,012 or 28.7%.

Debt

The purpose of this fund is to record property taxes levied and collected for the purpose of paying annual principal and interest payments on debt obligations with a legally binding pledge to repay with a commitment of an annual tax levy against property values certified by the Denton County Appraisal District. The property tax rate of \$0.645 cents per \$100 dollars of taxable value levied for FY 2021 has been proposed for adoption by City Council on September 8, 2020.



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The following is a list of all debt obligations:

Bond Series	Obligation	Maturity Date	Callable Date	Principal	Interest	Total Outstanding (09-30-2020)	P&I Due 2020-2021
General Debt							
Series 2011	Certificates of Obligation	9/30/1931	9/1/2021	990,000.00	255,780.10	1,245,780.10	108,653.76
Series 2012	General Obligation Refunding Bonds	9/30/2021	-----	25,000.00	750.00	25,750.00	25,750.00
Series 2013	Certificates of Obligation	9/30/2033	9/1/2021	4,810,000.00	1,681,300.00	6,491,300.00	330,300.00
Series 2013	General Obligation Refunding Bonds	9/30/2027	9/1/2021	2,495,000.00	329,075.00	2,824,075.00	428,475.00
Series 2014	Certificates of Obligation	9/30/2034	9/1/2024	2,320,000.00	692,900.00	3,012,900.00	217,562.50
Series 2015	Certificates of Obligation	9/30/2035	9/1/2025	1,845,000.00	817,850.00	2,662,850.00	175,500.00
Series 2016	Certificates of Obligation	9/30/2036	9/1/2026	1,460,000.00	241,750.00	1,701,750.00	313,900.00
Series 2017	Certificates of Obligation	9/30/2037	9/1/2027	3,775,000.00	1,090,712.50	4,865,712.50	281,412.50
Series 2018	Certificates of Obligation	9/30/2032	9/1/2028	3,795,000.00	967,850.00	4,762,850.00	371,350.00
Series 2018	General Obligation Refunding Bonds	9/30/2038	9/1/2028	19,275,000.00	8,095,837.50	27,370,837.50	1,408,037.50
Series 2019	Certificates of Obligation	9/30/2039	9/1/2027	4,440,000.00	1,420,218.88	5,860,218.88	127,018.76
				\$ 45,230,000.00	\$ 15,594,023.98	\$ 60,824,023.98	\$ 3,787,960.02
Water/Wastewater							
Series 2012	General Obligation Refunding Bonds	9/30/2023	-----	1,305,000.00	77,400.00	1,382,400.00	499,150.00
Series 2014A	Certificates of Obligation	9/30/2024	-----	975,000.00	65,455.00	1,040,455.00	260,837.50
Series 2014	Certificates of Obligation	9/30/2034	9/1/2024	2,080,000.00	449,312.50	2,529,312.50	341,650.00
Series 2015	Certificates of Obligation	9/30/2035	9/1/2025	7,680,000.00	3,702,300.00	11,382,300.00	381,900.00
Series 2016	Certificates of Obligation	9/30/2036	9/1/2026	5,975,000.00	1,756,337.60	7,731,337.60	180,656.26
Series 2017	Certificates of Obligation	9/30/2037	9/1/2027	4,540,000.00	1,317,531.42	5,857,531.42	339,031.26
Series 2018	Certificates of Obligation	9/30/2032	9/1/2028	800,000.00	169,500.00	969,500.00	219,600.00
Series 2018	General Obligation Refunding Bonds	9/30/2038	9/1/2028	27,885,000.00	11,664,700.00	39,549,700.00	2,168,125.00
Series 2019	Certificates of Obligation	9/30/2039	9/1/2028	17,715,000.00	5,665,700.00	23,380,700.00	506,750.00
				\$ 68,955,000.00	\$ 24,868,236.52	\$ 93,823,236.52	\$ 4,897,700.02
Public Improvement District							
Series 2014A	Certificates of Obligation	9/30/2024	-----	120,000.00	7,950.00	127,950.00	33,180.00
Series 2015	Certificates of Obligation	9/30/2035	9/1/2025	1,665,000.00	777,000.00	2,442,000.00	137,100.00
Series 2016	Certificates of Obligation	9/30/2035	9/1/2026	450,000.00	108,550.00	558,550.00	38,800.00
Series 2018	Certificates of Obligation	9/30/2035	9/1/2028	540,000.00	194,575.00	734,575.00	48,300.00
				\$ 2,775,000.00	\$ 1,088,075.00	\$ 3,863,075.00	\$ 257,380.00
CDC & Park Fees							
Series 2019	Certificates of Obligation	9/30/2039	9/1/2028	12,030,000.00	3,577,331.38	15,607,331.38	820,706.26
				\$ 12,030,000.00	\$ 3,577,331.38	\$ 15,607,331.38	\$ 820,706.26

Conclusion

We feel that we have done our best to listen to the directives set forth by the City Council at the beginning of the budgeting process and met all the needs communicated. The City of Celina staff and department heads have put a tremendous amount of effort into building a budget that is conservative and respectful of the taxpayers' resources while still addressing the needs and challenges that are presented by the unprecedented growth the community is experiencing. I am proud that this is a document put together by a team who all have the best interests of a "Life Connected" City of Celina.



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FY 2020 - 2021 City Fund Summary

COMBINED BUDGET SUMMARY

FY 2020-2021



	General Operating		Enterprise			Special Revenue		
	General Fund (102)	Debt Service (103)	Water/Wastewater (202)	Utility Impact, Water/Sewer Capital Recovery (206, 209, 210)	Stormwater Drainage (208)	Park Fee (109)	Court Security/Tech (118, 119)	Technology (122)
Beginning Fund Balances	\$ 5,853,516	\$ 1,548,795	\$ 8,623,786	\$ 11,343,070	\$ 616,425	\$ 1,367,683	\$ 93,860	\$ 139
Revenues:								
Ad Valorem Taxes	8,727,098	4,385,480	-	-	-	-	-	-
Sales Taxes	1,425,000	-	-	-	-	-	-	-
Franchise & Other Taxes	517,000	-	-	-	-	-	-	-
Licenses & Permits	6,522,000	-	-	-	-	-	-	-
Rates, Fees and Charges	2,669,000	-	19,104,228	3,575,000	575,000	1,050,000	5,700	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	1,009,340	-	726,600	-	-	-	-	200
Interest	260,000	60,000	250,000	200,000	6,500	50,000	100	1
Transfers In	858,728	-	500,000	-	-	-	-	-
Total Revenues:	21,988,166	4,445,480	20,580,828	3,775,000	581,500	1,100,000	5,800	20
Total Available Resources	\$ 27,841,682	\$ 5,994,275	\$ 29,204,614	\$ 15,118,070	\$ 1,197,925	\$ 2,467,683	\$ 99,660	\$ 340
Expenditures:								
General Government	4,346,390	-	-	-	-	-	-	100
Public Safety	9,355,983	-	-	-	-	-	27,500	-
Development Services	2,601,888	-	-	-	-	-	-	-
Public Services	5,303,819	-	-	-	-	1,550,000	-	-
Utilities	-	-	20,001,935	4,955,526	629,668	-	-	-
Debt Service	-	4,608,666	-	-	-	-	-	-
Transfers Out	635,725	-	858,728	500,000	-	-	-	-
Total Expenditures	22,243,805	4,608,666	20,860,663	5,455,526	629,668	1,550,000	27,500	100
Ending Fund Balance	\$ 5,597,877	\$ 1,385,609	\$ 8,343,951	\$ 9,662,544	\$ 568,257	\$ 917,683	\$ 72,160	\$ 240

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)

COMBINED BUDGET SUMMARY

FY 2020-2021

Integrity (123)	MainStreet (112)	Governmental/Capital Improvement					TIRZ TIRZ 11 (311)	Component		Total Proposed City Budget
		Roadway Impact Fee (107)	Vehicle & Equipment Replacement (113)	Capital Acquisition (120)	Capital Improvement Program (618,619,719)	Road Capital Recovery Fee (121)		EDC (401)	CDC (402)	
\$ 116,643	\$ 20,383	\$ 1,168,173	\$ 3,725,463	\$ 1,313,312	\$ 19,437,455	\$ 923,820	\$ 366,996	\$ 298,761	\$ 1,186,954	\$ 58,144,165
-	-	-	-	-	-	-	-	-	-	13,112,578
-	-	-	-	-	-	-	-	772,500	772,500	2,970,000
-	-	-	-	-	-	-	-	-	-	517,000
-	-	-	-	-	-	-	-	-	-	6,522,000
120,000	-	300,000	-	-	-	700,000	-	-	-	28,098,928
-	-	-	-	-	-	-	266,483	-	-	266,483
-	102,000	-	-	-	-	-	-	-	-	2,037,940
2,000	900	23,000	15,000	15,000	400,000	15,000	500	10,000	15,000	1,324,500
-	-	-	635,725	-	-	-	-	-	-	1,994,453
122,000	102,900	323,000	650,725	15,000	400,000	715,000	266,983	782,500	787,500	56,843,882
\$ 238,643	\$ 123,283	\$ 1,491,173	\$ 4,376,188	\$ 1,328,312	\$ 19,837,455	\$ 1,638,820	\$ 633,979	\$ 1,081,261	\$ 1,974,454	\$ 114,988,047
177,500	94,612	-	-	100,000	-	-	-	101,000	25,000	4,944,502
-	-	-	77,809	-	-	-	-	-	-	9,461,292
-	-	500,000	36,641	25,000	-	500,000	-	544,143	-	4,207,672
-	-	-	187,749	518,000	8,130,104	-	100,000	-	-	15,789,672
-	-	-	-	-	9,804,781	-	-	-	-	35,391,910
-	-	-	-	-	-	-	-	105,039	-	4,713,705
-	-	-	-	-	-	-	-	-	-	1,994,453
177,500	94,612	500,000	302,199	643,000	17,934,885	500,000	100,000	750,182	25,000	76,503,206
\$ 61,143	\$ 28,671	\$ 991,173	\$ 4,073,989	\$ 685,312	\$ 1,902,570	\$ 1,138,820	\$ 533,979	\$ 331,079	\$ 1,949,454	\$ 38,484,841

Total Appropriable Funds * 76,503,206

*Total Appropriations \$76,503,206 includes EDC/CDC which will be approved by separate ordinance. Appropriations for FY2020-2021 for all City funds is \$75,728,04.



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FY 2020 - 2021 Proposed Fund Budgets



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FUND STATEMENTS
General Operating Funds
Proposed Adopted Budget
FY 2020 - 2021

Fund #**102****General Fund****103****General Debt Service Fund**



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General Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 102

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 6,115,031	\$ 8,237,575	\$ 8,237,575	\$ 8,237,575	\$ 5,853,516
REVENUES					
Fines & Fees	\$ 7,481,324	\$ 6,867,683	\$ 6,867,683	\$ 8,687,083	\$ 9,191,000
Taxes	7,010,695	8,764,938	8,764,938	8,972,242	10,669,098
Grants	806,508	1,076,384	1,076,384	1,000,000	483,840
Contributions & Donations	47,789	66,549	66,549	129,049	184,500
Interest Income	281,211	245,000	245,000	230,000	260,000
Other Revenue	1,655,769	471,100	471,100	427,100	341,000
Transfers	447,318	719,812	719,812	713,612	858,728
TOTAL REVENUES	\$ 17,730,614	\$ 18,211,466	\$ 18,211,466	\$ 20,159,086	\$ 21,988,166
TOTAL FUNDS AVAILABLE	\$ 23,845,645	\$ 26,449,041	\$ 26,449,041	\$ 28,396,661	\$ 27,841,682
EXPENDITURES					
GIS	\$ 131,184	\$ 138,088	\$ 138,088	\$ 138,403	\$ 227,544
Facilities Management	339,699	327,616	327,616	357,835	464,879
Information Technology	555,011	650,611	676,111	675,771	789,741
Finance	767,305	938,694	955,449	955,449	1,037,823
Library	229,798	272,884	272,884	272,844	301,860
City Secretary	147,099	156,493	156,493	140,693	291,448
Development Services	1,788,547	2,010,661	2,056,511	2,056,511	2,374,344
Administration	1,023,744	1,201,898	1,301,898	1,300,782	1,314,855
Municipal Court	166,197	185,817	185,817	184,417	204,793
Fire & EMS	3,930,235	4,580,490	4,580,490	4,544,278	4,815,744
Streets	968,300	1,168,884	1,208,884	1,206,071	1,314,697
Police	2,926,345	3,238,609	3,339,485	3,339,485	4,335,446
Parks	930,725	1,184,052	1,184,052	1,146,250	1,614,749
Community Relations	371,476	280,939	304,042	304,042	453,097
Engineering	1,010,827	1,160,702	1,260,702	1,268,702	1,619,416
Human Resources	241,896	265,354	265,354	244,444	447,644
TOTAL EXPENDITURES	\$ 15,528,388	\$ 17,761,792	\$ 18,213,876	\$ 18,135,977	\$ 21,608,080
Transfers Out	79,682	402,186	4,407,168	4,407,168	635,725
TOTAL TRANSFERS	\$ 79,682	\$ 402,186	\$ 4,407,168	\$ 4,407,168	\$ 635,725
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 15,608,070	\$ 18,163,978	\$ 22,621,044	\$ 22,543,145	\$ 22,243,805
ENDING FUND BALANCE	\$ 8,237,575	\$ 8,285,063	\$ 3,827,997	\$ 5,853,516	\$ 5,597,877



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Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



**General Fund
Revenue Summary
Fund 102**

	ACTUAL 2018-2019	ADOPTED 2019-2020	AMENDED 2019-2020	ESTIMATED 2019-2020	PROPOSED 2020-2021
REVENUES					
4100 SALES TAX	\$ 1,438,428	\$ 1,292,500	\$ 1,292,500	\$ 1,500,000	\$ 1,545,000
4101 PROPERTY TAX-CURRENT	5,304,336	8,118,329	8,118,329	8,250,000	10,216,085
4102 PROPERTY TAX-TIRZ	-	(1,033,682)	(1,033,682)	(1,300,286)	(1,629,491)
4103 PROPERTY TAX-DELINQUENT	319,762	35,000	35,000	135,000	140,504
4104 SALES TAX REBATE	-	-	-	(110,000)	(120,000)
4105 FRANCHISE TAXES - ELECTRICITY	286,052	247,814	247,814	300,000	310,000
4106 FRANCHISE TAXES - GAS	162,652	58,013	58,013	124,528	130,000
4107 FRANCHISE TAXES - TELEPHONE	34,196	22,672	22,672	37,000	38,000
4108 FRANCHISE TAXES - CABLE TV	31,594	24,292	24,292	30,000	32,000
4109 PEG FEES	-	-	-	-	-
4111 HOTEL OCCUPANCY TAX	(7,197)	-	-	-	-
4112 MIXED BEVERAGE TAX	3,407	-	-	6,000	7,000
4200 PERMITS	5,504,458	4,540,000	4,540,000	6,100,000	6,500,000
4201 DEVELOPMENT FEES	204,564	187,000	187,000	150,000	150,000
4202 CONSTRUCTION INSPECTION FEES	990,049	500,000	500,000	750,000	500,000
4300 COURT FINES	76,946	85,000	85,000	65,000	85,000
4301 COURT FINES TIME PAY	705	1,200	1,200	600	1,000
4302 COURT FINES DEF DISPOSITION	44,859	50,000	50,000	45,000	50,000
4305 CREDIT CARD FEES	88,010	80,000	80,000	60,000	80,000
4310 EMS SERVICE FEES	297,470	258,000	258,000	350,000	375,000
4311 FIRE INSPECTION FEES	876	1,000	1,000	500	500
4312 ALARM PERMIT FEES	14,373	15,000	15,000	21,900	22,000
4313 MUD1 FIRE/EMS AND POLICE FEES	776,918	1,166,483	1,166,483	1,166,483	1,300,000
4314 HEALTH INSPECTION FEES	8,172	15,000	15,000	10,000	15,000
4315 PID ADMINISTRATION FEES	-	112,500	112,500	112,500	112,500
4316 RENTAL REGISTRATION FEES	-	25,000	25,000	-	-
4320 JURY FEE REVENUE	-	-	-	-	-
4400 INTEREST INCOME	281,211	245,000	245,000	230,000	260,000
4502 SAFER GRANT	551,830	1,076,384	1,076,384	1,000,000	483,840
4506 FAMILY AND CHILD VIOLENCE GRANT	-	-	-	-	-
4520 COLLIN COUNTY OPEN SPACE GRANT	-	-	-	-	-
4604 LIBRARY DONATIONS	2,527	2,900	2,900	1,500	1,500
4606 PARK DONATIONS	-	-	-	-	-
4610 COUNTY LIBRARY FUNDS	12,412	16,549	16,549	16,549	18,000
4611 CONTRIBUTIONS	-	-	-	100,000	115,000
4612 CITY SPONSORED EVENTS DONATIONS	45,100	50,000	50,000	12,500	50,000
4700 POLICE REPORTS	1,153	700	700	700	1,000
4702 COUNTY REBATE OF CHILD SAFETY	6,448	-	-	-	-
4703 COLLIN CO FIREMAN'S ASSOC	98,641	98,500	98,500	75,000	75,000
4704 DENTON CO FIREMAN'S ASSOC	10,000	10,000	10,000	10,000	10,000
4708 SALE OF ASSETS	175	-	-	-	-
4709 PROPERTY RENTAL REVENUE	-	-	-	-	-
4710 PARK FACILITIES USAGE REVENUE	179,857	155,500	155,500	100,000	200,000
4711 PARK CONCESSION STAND REVENUE	19,120	25,000	25,000	15,000	25,000
4715 KEEP CELINA BEAUTIFUL PROJECT	5,000	5,000	5,000	5,000	5,000
4719 CASH OVER/SHORT	-	-	-	-	-
4795 BANK RECON FORCE BALANCE	(27,565)	-	-	-	-
4799 MISCELLANEOUS REVENUE	37,866	5,000	5,000	75,000	25,000
4900 TRANSFERS IN	120,000	719,812	719,812	713,612	858,728
TOTAL REVENUES	\$ 16,924,405	\$ 18,211,466	\$ 18,211,466	\$ 20,159,086	\$ 21,988,166

Debt Service Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 103

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 1,813,530	\$ 2,497,665	\$ 2,497,665	\$ 2,497,665	\$ 1,548,795
REVENUES					
Taxes	\$ 4,101,706	\$ 3,448,479	\$ 3,448,479	\$ 3,585,043	\$ 4,385,480
Interest Income	89,633	40,000	\$ 40,000	62,000	60,000
Transfers	200,000	1,097,537	\$ 1,097,537	1,019,602	-
TOTAL REVENUES	\$ 4,391,339	\$ 4,586,016	\$ 4,586,016	\$ 4,666,645	\$ 4,445,480
TOTAL FUNDS AVAILABLE	\$ 6,204,869	\$ 7,083,681	\$ 7,083,681	\$ 7,164,310	\$ 5,994,275
EXPENDITURES					
Debt Service	\$ 3,707,204	\$ 5,130,921	\$ 5,130,921	\$ 4,657,745	\$ 4,608,666
TOTAL EXPENDITURES	\$ 3,707,204	\$ 5,130,921	\$ 5,130,921	\$ 4,657,745	\$ 4,608,666
Transfers	-	-	957,770	957,770	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 3,707,204	\$ 5,130,921	\$ 6,088,691	\$ 5,615,515	\$ 4,608,666
Excess (deficiency) of revenues over (under) expenditures	\$ 684,135	\$ (544,905)	\$ (1,502,675)	\$ (948,870)	\$ (163,186)
ENDING FUND BALANCE	\$ 2,497,665	\$ 1,952,760	\$ 994,990	\$ 1,548,795	\$ 1,385,609



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FUND STATEMENTS
Enterprise Funds
Adopted Budget
FY 2020 - 2021

Fund #

202	Water/Wastewater Fund
206	Utility Impact Fee Fund
208	Stormwater Drainage Fund
209	Water Capital Recovery
210	Sewer Capital Recovery



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Water/Wastewater Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 202

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 948,973	\$ 7,023,507	\$ 7,023,507	\$ 7,023,507	\$ 8,623,786
REVENUES					
Water Sales	\$ 7,127,287	\$ 6,765,000	\$ 6,765,000	\$ 8,600,000	\$ 9,500,000
Sewer Sales	4,085,342	3,960,000	3,960,000	5,250,000	5,800,000
Trash & Recycling Fees	865,493	870,000	870,000	1,043,530	1,527,728
Water/Wastewater Connection Fees	1,822,020	1,953,300	1,953,300	2,106,000	2,106,500
Other Fines & Fees	178,653	125,000	125,000	156,000	170,000
Interest Income	252,425	175,000	175,000	250,000	250,000
Other	569,921	646,169	646,169	731,280	726,600
Transfer In	-	2,880,000	2,880,000	500,000	500,000
TOTAL REVENUES	\$ 14,901,141	\$ 17,374,469	\$ 17,374,469	\$ 18,636,810	\$ 20,580,828
TOTAL FUNDS AVAILABLE	\$ 15,850,114	\$ 24,397,976	\$ 24,397,976	\$ 25,660,317	\$ 29,204,614
EXPENDITURES					
Water Department	\$ 6,435,053	\$ 6,024,748	\$ 6,226,315	\$ 6,501,897	\$ 8,021,825
Wastewater Department	1,392,706	2,196,678	2,177,771	1,791,936	2,657,114
Utility Billing	247,343	323,466	323,466	322,630	358,169
Trash and Recycling	751,505	827,034	827,034	950,000	1,415,800
Debt Service-UTWRD	-	1,074,720	1,074,720	1,137,033	1,919,360
Debt Service-Operations	-	5,426,399	5,426,399	5,619,423	5,629,667
TOTAL EXPENDITURES	\$ 8,826,607	\$ 15,873,045	\$ 16,055,705	\$ 16,322,919	\$ 20,001,935
Transfers	-	613,000	713,612	713,612	858,728
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 8,826,607	\$ 16,486,045	\$ 16,769,317	\$ 17,036,531	\$ 20,860,663
Excess (deficiency) of revenues over (under) expenditures	\$ 6,074,534	\$ 888,424	\$ 605,152	\$ 1,600,279	\$ (279,835)
ENDING FUND BALANCE	\$ 7,023,507	\$ 7,911,931	\$ 7,628,659	\$ 8,623,786	\$ 8,343,951



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Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



**Water/Wastewater Fund
Revenue Summary
Fund 202**

	ACTUAL 2018-2019	ADOPTED 2019-2020	AMENDED 2019-2020	ESTIMATED 2019-2020	PROPOSED 2020-2021
REVENUES					
4800 WATER SALES	\$ 7,127,287.00	\$6,765,000	\$6,765,000	\$8,600,000	\$9,500,000
4810 WASTEWATER SALES	4,085,342	3,960,000	3,960,000	5,250,000	5,800,000
4815 TRASH AND RECYCLING SALES	865,493	870,000	870,000	1,043,530	1,527,728
4330 RECONNECT/DISCONNECT FEES	6,350	8,500	8,500	6,000	6,500
4333 WATER CONNECTION FEES	1,038,070	1,102,400	1,102,400	1,200,000	1,200,000
4334 WASTEWATER CONNECTION FEES	777,600	842,400	842,400	900,000	900,000
4335 PENALTIES	178,653	125,000	125,000	156,000	170,000
4660 CAPITAL CONTRIBUTIONS	-	-	-	-	-
4708 SALE OF ASSETS	-	-	-	-	-
4400 INTEREST INCOME	252,425	175,000	175,000	250,000	250,000
4306 CREDIT CARD FEES	94,776	80,000	80,000	124,000	125,000
4331 CUSTOMER SERVICE FEES	450	900	900	200	200
4332 TRANSFER FEES	1,475	1,000	1,000	1,400	1,400
4719 CASH OVER/SHORT	(10)	-	-	-	-
4754 METER REVENUE	408,485	385,000	385,000	505,680	500,000
4799 MISCELLANEOUS REVENUE	64,745	179,269	179,269	100,000	100,000
4900 TRANSFERS IN	-	2,880,000	2,880,000	500,000	500,000
TOTAL REVENUES	\$ 14,901,141	\$ 17,374,469	\$ 17,374,469	\$ 18,636,810	\$ 20,580,828

**Water/Wastewater Impact &
Capital Recovery Fee Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 206, 209, 210**

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 8,358,125	\$ 12,073,071	\$ 12,073,071	\$ 12,073,071	\$ 11,343,070
REVENUES					
Water/Wastewater Impact Fees (206)	\$ 4,115,727	\$ 1,650,456	\$ 1,650,456	\$ 2,316,529	\$ 2,000,000
Water Capital Recovery Fees (209)	768,980	473,220	485,220	1,000,000	575,000
Wastewater Capital Recovery Fees (210)	779,500	479,880	489,880	1,353,542	1,000,000
Interest Income (206, 209, 210)	235,110	184,000	250,000	202,000	200,000
TOTAL REVENUES	\$ 5,899,317	\$ 2,787,556	\$ 2,875,556	\$ 4,872,071	\$ 3,775,000
TOTAL FUNDS AVAILABLE	\$ 14,257,442	\$ 14,860,627	\$ 14,948,627	\$ 16,945,142	\$ 15,118,070
EXPENDITURES					
Water/Wastewater Impact Operations (206)	\$ 2,184,371	\$ 330,000	\$ 330,000	\$ 2,139,304	\$ 3,000,000
Water Capital Recovery Operations (209)	-	-	193,000	49,226	1,000,000
Wastewater Capital Recover Operations (210)	-	-	360,000	653,542	955,526
Debt Service (206, 210)	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,184,371	\$ 330,000	\$ 883,000	\$ 2,842,072	\$ 4,955,526
Transfers out	-	2,760,000	2,760,000	2,760,000	500,000
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 2,184,371	\$ 3,090,000	\$ 3,643,000	\$ 5,602,072	\$ 5,455,526
Excess (deficiency) of revenues over (under) expenditures	\$ 3,714,946	\$ (302,444)	\$ (767,444)	\$ (730,001)	\$ (1,680,526)
ENDING FUND BALANCE	\$ 12,073,071	\$ 11,770,627	\$ 11,305,627	\$ 11,343,070	\$ 9,662,544



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Stormwater Drainage Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 208

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 319,876	\$ 786,952	\$ 786,952	\$ 786,952	\$ 616,425
REVENUES					
Stormwater Fees	\$ 495,292	\$ 510,000	\$ 510,000	\$ 564,000	\$ 575,000
Interest Income	6,428	5,000	5,000	6,500	6,500
Transfers	-	-	-	-	-
TOTAL REVENUES	\$ 501,720	\$ 515,000	\$ 515,000	\$ 570,500	\$ 581,500
TOTAL FUNDS AVAILABLE	\$ 821,596	\$ 1,301,952	\$ 1,301,952	\$ 1,357,452	\$ 1,197,925
EXPENDITURES					
Stormwater Drainage Operations	\$ 34,644	\$ 400,816	\$ 990,816	\$ 741,027	\$ 629,668
TOTAL EXPENDITURES	\$ 34,644	\$ 400,816	\$ 990,816	\$ 741,027	\$ 629,668
Transfers out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 34,644	\$ 400,816	\$ 990,816	\$ 741,027	\$ 629,668
Excess (deficiency) of revenues over (under) expenditures	\$ 467,076	\$ 114,184	\$ (475,816)	\$ (170,527)	\$ (48,168)
ENDING FUND BALANCE	\$ 786,952	\$ 901,136	\$ 311,136	\$ 616,425	\$ 568,257



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FUND STATEMENTS
Special Revenue Funds
Adopted Budget
FY 2020 - 2021

Fund #

109	Park Fee Fund
118	Court Security Fund
119	Court Technology Fund
122	Technology Fund
123	Integrity Fund
112	Main Street Fund



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Park Fee Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 109

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 983,847	\$ 3,791,896	\$ 3,791,896	\$ 3,791,896	\$ 1,367,683
REVENUES					
Fines & Fees	\$ 2,855,844	\$ 1,050,000	\$ 1,050,000	\$ 1,500,000	\$ 1,050,000
Interest Income	125,996	50,000	50,000	70,000	50,000
Other Revenue	-	-	-	1,000,000	-
Transfers	-	-	-	-	-
TOTAL REVENUES	\$ 2,981,840	\$ 1,100,000	\$ 1,100,000	\$ 2,570,000	\$ 1,100,000
TOTAL FUNDS AVAILABLE	\$ 3,965,687	\$ 4,891,896	\$ 4,891,896	\$ 6,361,896	\$ 2,467,683
EXPENDITURES					
Parks & Recreation	\$ 173,791	\$ 1,600,000	\$ 5,360,000	\$ 4,994,213	\$ 1,550,000
TOTAL EXPENDITURES	\$ 173,791	\$ 1,600,000	\$ 5,360,000	\$ 4,994,213	\$ 1,550,000
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 173,791	\$ 1,600,000	\$ 5,360,000	\$ 4,994,213	\$ 1,550,000
Excess (deficiency) of revenues over (under) expenditures	\$ 2,808,049	\$ (500,000)	\$ (4,260,000)	\$ (2,424,213)	\$ (450,000)
ENDING FUND BALANCE	\$ 3,791,896	\$ 3,291,896	\$ (468,104)	\$ 1,367,683	\$ 917,683



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Court Security/Technology Fund Budget
Revenues, Expenditures and Change in Fund Balance
Funds 118, 119

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 124,614	\$ 114,323	\$ 114,323	\$ 114,323	\$ 93,860
REVENUES					
Fines & Fees	\$ 6,294	\$ 5,700	\$ 5,700	\$ 6,137	\$ 5,700
Interest Income	-	100	100	900	100
TOTAL REVENUES	\$ 6,294	\$ 5,800	\$ 5,800	\$ 7,037	\$ 5,800
TOTAL FUNDS AVAILABLE	\$ 130,908	\$ 120,123	\$ 120,123	\$ 121,360	\$ 99,660
EXPENDITURES					
Municipal Court Administration	\$ 16,585	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500
TOTAL EXPENDITURES	\$ 16,585	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500
ENDING FUND BALANCE	\$ 114,323	\$ 92,623	\$ 92,623	\$ 93,860	\$ 72,160



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Technology Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 122

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 37,511	\$ 119,069	\$ 119,069	\$ 119,069	\$ 139,069
REVENUES					
Miscellaneous	\$ 100,500	\$ 30,000	\$ 30,000	\$ 200,000	\$ 200,000
Interest Income	1,114	500	500	1,500	1,500
TOTAL REVENUES	\$ 101,614	\$ 30,500	\$ 30,500	\$ 201,500	\$ 201,500
TOTAL FUNDS AVAILABLE	\$ 139,125	\$ 149,569	\$ 149,569	\$ 320,569	\$ 340,569
EXPENDITURES					
Operations	\$ 20,056	\$ 32,500	\$ 181,500	\$ 181,500	\$ 100,000
TOTAL EXPENDITURES	\$ 20,056	\$ 32,500	\$ 181,500	\$ 181,500	\$ 100,000
ENDING FUND BALANCE	\$ 119,069	\$ 117,069	\$ (31,931)	\$ 139,069	\$ 240,569



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Integrity Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 123

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ -	\$ 129,643	\$ 129,643	\$ 129,643	\$ 116,643
REVENUES					
Fines & Fees	\$ 127,964	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Interest Income	1,679	1,000	1,000	2,000	2,000
TOTAL REVENUES	\$ 129,643	\$ 121,000	\$ 121,000	\$ 122,000	\$ 122,000
TOTAL FUNDS AVAILABLE	\$ 129,643	\$ 250,643	\$ 250,643	\$ 251,643	\$ 238,643
EXPENDITURES					
Operations	\$ -	\$ -	\$ 180,500	\$ 135,000	\$ 177,500
TOTAL EXPENDITURES	\$ -	\$ -	\$ 180,500	\$ 135,000	\$ 177,500
ENDING FUND BALANCE	\$ 129,643	\$ 250,643	\$ 70,143	\$ 116,643	\$ 61,143



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Main Street Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 112

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 39,496	\$ 51,558	\$ 51,558	\$ 51,558	\$ 20,383
REVENUES					
Contributions & Donations	\$ 72,825	\$ 97,000	\$ 97,000	\$ 72,500	\$ 102,000
Grants	-	30,000	30,000	-	-
Interest Income	849	150	150	840	900
Transfers	-	-	-	-	-
TOTAL REVENUES	\$ 73,674	\$ 127,150	\$ 127,150	\$ 73,340	\$ 102,900
TOTAL FUNDS AVAILABLE	\$ 113,170	\$ 178,708	\$ 178,708	\$ 124,898	\$ 123,283
EXPENDITURES					
Main Street	\$ 61,612	\$ 104,515	\$ 104,515	\$ 104,515	\$ 94,612
TOTAL EXPENDITURES	\$ 61,612	\$ 104,515	\$ 104,515	\$ 104,515	\$ 94,612
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 61,612	\$ 104,515	\$ 104,515	\$ 104,515	\$ 94,612
Excess (deficiency) of revenues over (under) expenditures	\$ 12,062	\$ 22,635	\$ 22,635	\$ (31,175)	\$ 8,288
ENDING FUND BALANCE	\$ 51,558	\$ 74,193	\$ 74,193	\$ 20,383	\$ 28,671



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FUND STATEMENTS
Governmental Funds
Adopted Budget
FY 2020 - 2021

Fund #	
107	Roadway Impact Fees Fund
113	Vehicle & Equipment Replacement Fund
120	Capital Acquisition Fund
121	Road Capital Recovery Fee Fund
618, 619, 719	Capital Improvement Project Bond Fund



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Roadway Impact Fees Fund
Revenues, Expenditures and Change in Fund Balance
Fund 107

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 824,099	\$ 1,395,173	\$ 1,395,173	\$ 1,395,173	\$ 1,168,173
REVENUES					
Road Impact Fees	\$ 543,931	\$ 700,000	\$ 700,000	\$ 700,000	\$ 300,000
Other Revenue	-	-	-	-	-
Interest Income	27,143	23,000	23,000	23,000	23,000
TOTAL REVENUES	\$ 571,074	\$ 723,000	\$ 723,000	\$ 723,000	\$ 323,000
TOTAL FUNDS AVAILABLE	\$ 1,395,173	\$ 2,118,173	\$ 2,118,173	\$ 2,118,173	\$ 1,491,173
EXPENDITURES					
Road Impact Operations	\$ -	\$ 375,000	\$ 950,000	\$ 950,000	\$ 500,000
TOTAL EXPENDITURES	\$ -	\$ 375,000	\$ 950,000	\$ 950,000	\$ 500,000
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ -	\$ 375,000	\$ 950,000	\$ 950,000	\$ 500,000
Excess (deficiency) of revenues over (under) expenditures	\$ 571,074	\$ 348,000	\$ (227,000)	\$ (227,000)	\$ (177,000)
ENDING FUND BALANCE	\$ 1,395,173	\$ 1,743,173	\$ 1,168,173	\$ 1,168,173	\$ 991,173



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Vehicle & Equipment Replacement Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 113

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 1,523,371	\$ 854,391	\$ 854,391	\$ 854,391	\$ 3,725,463
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer	-	637,464	637,464	3,151,832	635,725
Interest Income	29,545	15,000	-	12,000	15,000
TOTAL REVENUES	\$ 29,545	\$ 652,464	\$ 637,464	\$ 3,163,832	\$ 650,725
TOTAL FUNDS AVAILABLE	\$ 1,552,916	\$ 1,506,855	\$ 1,491,855	\$ 4,018,223	\$ 4,376,188
EXPENDITURES					
Capital Expenditures	\$ 698,525	\$ 240,125	\$ 295,125	\$ 292,760	\$ 302,199
TOTAL EXPENDITURES	\$ 698,525	\$ 240,125	\$ 295,125	\$ 292,760	\$ 302,199
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 698,525	\$ 240,125	\$ 295,125	\$ 292,760	\$ 302,199
Excess (deficiency) of revenues over (under) expenditures	\$ (668,980)	\$ 412,339	\$ 342,339	\$ 2,871,072	\$ 348,526
ENDING FUND BALANCE	\$ 854,391	\$ 1,266,730	\$ 1,196,730	\$ 3,725,463	\$ 4,073,989



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Capital Acquisition Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 120

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 1,962,979	\$ 1,482,625	\$ 1,482,625	\$ 1,482,625	\$ 1,313,312
REVENUES					
Transfers In	\$ -	\$ -	\$ -	\$ 366,271	\$ -
Interest Income	42,535	14,550	14,550	15,000	15,000
TOTAL REVENUES	\$ 42,535	\$ 14,550	\$ 14,550	\$ 381,271	\$ 15,000
TOTAL FUNDS AVAILABLE	\$ 2,005,514	\$ 1,497,175	\$ 1,497,175	\$ 1,863,896	\$ 1,328,312
EXPENDITURES					
Capital Department	\$ 522,889	\$ 701,665	\$ 701,665	\$ 550,584	\$ 643,000
TOTAL EXPENDITURES	\$ 522,889	\$ 701,665	\$ 701,665	\$ 550,584	\$ 643,000
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 522,889	\$ 701,665	\$ 701,665	\$ 550,584	\$ 643,000
Excess (deficiency) of revenues over (under) expenditures	\$ (480,354)	\$ (687,115)	\$ (687,115)	\$ (169,313)	\$ (628,000)
ENDING FUND BALANCE	\$ 1,482,625	\$ 795,510	\$ 795,510	\$ 1,313,312	\$ 685,312



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Road Capital Recovery Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 121

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 383,462	\$ 1,165,614	\$ 1,165,614	\$ 1,165,614	\$ 923,820
REVENUES					
Road Capital Recovery Fee	\$ 769,259	\$ 625,000	\$ 625,000	\$ 700,000	\$ 700,000
Interest Income	12,892	10,000	10,000	25,000	15,000
TOTAL REVENUES	\$ 782,151	\$ 635,000	\$ 635,000	\$ 725,000	\$ 715,000
TOTAL FUNDS AVAILABLE	\$ 1,165,613	\$ 1,800,614	\$ 1,800,614	\$ 1,890,614	\$ 1,638,820
EXPENDITURES					
Road Capital Recovery Operations	\$ -	\$ 500,000	\$ 956,794	\$ 956,794	\$ 500,000
TOTAL EXPENDITURES	\$ -	\$ 500,000	\$ 956,794	\$ 956,794	\$ 500,000
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ -	\$ 500,000	\$ 956,794	\$ 956,794	\$ 500,000
Excess (deficiency) of revenues over (under) expenditures	\$ 782,151	\$ 135,000	\$ (321,794)	\$ (231,794)	\$ 215,000
ENDING FUND BALANCE	\$ 1,165,613	\$ 1,300,614	\$ 843,820	\$ 933,820	\$ 1,138,820



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Capital Improvement Project Bond Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 618, 619, & 719

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 54,595,263	\$ 51,208,241	\$ 51,208,241	\$ 51,208,241	\$ 19,437,455
REVENUES					
Miscellaneous	\$ 36,103,000	\$ -	\$ -	\$ -	\$ -
Interest Income	994,000	629,000	629,000	600,000	400,000
TOTAL REVENUES	\$ 37,097,000	\$ 629,000	\$ 629,000	\$ 600,000	\$ 400,000
TOTAL FUNDS AVAILABLE	\$ 91,692,263	\$ 51,837,241	\$ 51,837,241	\$ 51,808,241	\$ 19,837,455
EXPENDITURES					
Previous CIP	\$ 4,697,602	\$ 3,043,077	\$ 3,043,077	\$ 3,016,507	\$ -
2018 Bond Funds	28,887,803	17,133,275	17,133,275	16,350,000	2,804,781
2019 Bond Funds	6,898,617	16,353,000	16,353,000	13,004,279	15,130,104
TOTAL EXPENDITURES	\$ 40,484,022	\$ 36,529,352	\$ 36,529,352	\$ 32,370,786	\$ 17,934,885
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 40,484,022	\$ 36,529,352	\$ 36,529,352	\$ 32,370,786	\$ 17,934,885
Excess (deficiency) of revenues over (under) expenditures	\$ (3,387,022)	\$ (35,900,352)	\$ (35,900,352)	\$ (31,770,786)	\$ (17,534,885)
ENDING FUND BALANCE	\$ 51,208,241	\$ 15,307,889	\$ 15,307,889	\$ 19,437,455	\$ 1,902,570



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FUND STATEMENTS
Governmental Funds
Adopted Budget
FY 2020 - 2021

Fund #
311 TIRZ #11 -- Downtown Celina

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



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TIRZ #11 Downtown Celina
Revenue, Expenditures and Change in Fund Balance
Fund 311

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ -	\$ 86,038	\$ 86,038	\$ 86,038	\$ 366,996
REVENUES					
Intergovernmental	\$ 170,708	\$ -	\$ 302,599	\$ 302,599	\$ 266,483
Interest Income	-	-	359	359	500
TOTAL REVENUES	\$ 170,708	\$ -	\$ 302,958	\$ 302,958	\$ 266,983
TOTAL FUNDS AVAILABLE	\$ 170,708	\$ 86,038	\$ 388,996	\$ 388,996	\$ 633,979
EXPENDITURES					
Downtown Celina	\$ 84,670	\$ -	\$ 22,000	\$ 22,000	\$ 100,000
TOTAL EXPENDITURES	\$ 84,670	\$ -	\$ 22,000	\$ 22,000	\$ 100,000
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 84,670	\$ -	\$ 22,000	\$ 22,000	\$ 100,000
Excess (deficiency) of revenues over (under) expenditures	\$ 86,038	\$ -	\$ 280,958	\$ 280,958	\$ 166,983
ENDING FUND BALANCE	\$ 86,038	\$ 86,038	\$ 366,996	\$ 366,996	\$ 533,979



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FY2020 - 2021 Component Units Budget

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



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FUND STATEMENTS
Discrete Component Units
Adopted Budget
FY 2020 - 2021

Fund #

401 Economic Development Corporation (EDC)

402 Community Development Corporation (CDC)

2020 - 2021 Economic Development Corporation Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 401

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 285,222	\$ 213,206	\$ 213,206	\$ 213,206	\$ 298,761
REVENUES					
Taxes	\$ 625,453	\$ 684,750	\$ 684,750	\$ 750,000	\$ 772,500
Grants	-	15,000	15,000	2,500	-
Other Revenues	26,280	14,400	14,400	-	-
Interest Income	15,080	5,000	5,000	17,000	10,000
TOTAL REVENUES	\$ 666,813	\$ 719,150	\$ 719,150	\$ 769,500	\$ 782,500
TOTAL FUNDS AVAILABLE	\$ 952,035	\$ 932,356	\$ 932,356	\$ 982,706	\$ 1,081,261
EXPENDITURES					
Personnel Costs	\$ 208,314	\$ 199,398	\$ 199,398	\$ 182,881	\$ 202,343
Legal & Professional	14,239	22,000	22,000	16,750	22,650
Materials & Supplies	3,959	5,000	5,000	5,500	4,000
Other Expenses	103,715	114,137	114,137	92,008	288,650
Utilities	2,084	1,500	1,500	1,500	1,500
Debt Service	246,518	120,000	120,000	246,518	105,039
TIRZ Agreements	-	50,000	50,000	45,938	25,000
TOTAL EXPENDITURES	\$ 578,829	\$ 512,035	\$ 512,035	\$ 591,095	\$ 649,182
Transfers Out	160,000	96,162	96,162	92,850	101,000
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 738,829	\$ 608,197	\$ 608,197	\$ 683,945	\$ 750,182
Excess (deficiency) of revenues over (under) expenditures	\$ (72,016)	\$ 110,953	\$ 110,953	\$ 85,555	\$ 32,318
ENDING WORKING CAPITAL BALANCE	\$ 213,206	\$ 324,159	\$ 324,159	\$ 298,761	\$ 331,079

Preliminary proposed budget shown above is for presentation purposes only. FY2020-2021 final proposed budget to be approved by resolution by City Council on 09/08/20.



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Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)

2020 - 2021 Community Development Corporation Fund Budget
Revenues, Expenditures and Change in Fund Balance
Fund 402

	ACTUAL 2018 - 2019	ADOPTED 2019 - 2020	AMENDED 2019 - 2020	ESTIMATED 2019 - 2020	PROPOSED 2020 - 2021
BEGINNING FUND BALANCE	\$ 1,030,937	\$ 1,482,494	\$ 1,482,494	\$ 1,482,494	\$ 1,186,954
REVENUES					
Taxes	\$ 625,454	\$ 684,750	\$ 684,750	\$ 750,000	\$ 772,500
Interest Income	26,103	10,000	10,000	20,000	15,000
TOTAL REVENUES	\$ 651,557	\$ 694,750	\$ 694,750	\$ 770,000	\$ 787,500
TOTAL FUNDS AVAILABLE	\$ 1,682,494	\$ 2,177,244	\$ 2,177,244	\$ 2,252,494	\$ 1,974,454
EXPENDITURES					
TIRZ Agreements	\$ -	\$ -	\$ -	\$ 45,938	\$ 25,000
	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 45,938	\$ 25,000
Transfers Out	200,000	1,097,537	1,097,537	1,019,602	-
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 200,000	\$ 1,097,537	\$ 1,097,537	\$ 1,065,540	\$ 25,000
Excess (deficiency) of revenues over (under) expenditures	\$ 451,557	\$ (402,787)	\$ (402,787)	\$ (295,540)	\$ 762,500
ENDING FUND BALANCE	\$ 1,482,494	\$ 1,079,707	\$ 1,079,707	\$ 1,186,954	\$ 1,949,454

Preliminary proposed budget shown above is for presentation purposes only. FY2020-2021 final proposed budget to be approved by resolution by City Council on 09/08/20.

Attachment: Budget Document -- Final Draft - 2nd 08102020 (Public Hearing - FY2020-2021 Budget)



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Notice of Public Hearing on Proposed Budget

The City of Celina has scheduled a public hearing on the Proposed Budget on September 8, 2020. The public hearing will be at 5:00 p.m. at Celina City Council Chambers, 112 N. Colorado, Celina, TX 75009.

This budget will raise more total property taxes than last year's budget by an amount of \$3,150,510, which is a 27 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,744,048.

Members of the public are encouraged to attend and express their views.

Proposed Budget can be found on the City of Celina's website:

www.celina-tx.gov



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Robin Bromiley, Director of Finance
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Public Hearing - Proposed 2020 Ad Valorem Tax Rate

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony regarding the proposed 2020 Ad Valorem tax rate. (Bromiley)

Background Information:

A tax rate of \$0.645 per \$100 valuation has been proposed for adoption by the governing body. This rate exceeds the lower of the No-New-Revenue Tax Rate or the Voter-Approval Tax Rate.

In accordance with the “Truth in Taxation” laws of the State of Texas, if an entity’s proposed tax rate exceeds the No-New-Revenue rate, the entity is required to vote to place a proposal for adoption of budget and tax rate, publish notices and conduct a public hearing.

The City Council cannot take any action regarding the tax rate at this public hearing. The sole purpose of the public hearing is to provide the public an opportunity to address the Mayor and Council regarding the proposed Tax Rate.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Notice of 2020 Tax Year Proposed Property Tax Rate

Staff Recommendation:

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.645000 per \$100 valuation has been proposed by the governing body of City of Celina.

PROPOSED TAX RATE	\$0.645000 per \$100
NO-NEW REVENUE TAX RATE	\$0.633518 per \$100
VOTER-APPROVAL TAX RATE	\$0.645000 per \$100
DE MINIMIS RATE	\$0.655554 per \$100

The no-new-revenue tax rate is the tax rate for the 2020 tax year that will raise the same amount of property tax revenue for City of Celina from the same properties in both the 2019 tax year and the 2020 tax year.

The voter-approval tax rate is the highest tax rate that City of Celina may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for City of Celina exceeds the voter-approval tax rate for City of Celina.

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for City of Celina, the rate that will raise \$500,000, and the current debt rate for City of Celina.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Celina is proposing to increase property taxes for the 2020 tax year.

A public hearing on the proposed tax rate will be held on September 08, 2020 at 5:00 PM at Celina City Council Chambers, 112 N. Colorado, Celina, TX 75009.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Celina is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the governing body of City of Celina at their offices or by attending the public meeting mentioned above.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

The members of the governing body voted on the proposed tax increase as follows:

FOR:

Justin Steiner, Place #1
Andy Hopkins, Place #3
Mindy Koehne, Place #5

Wayne Nabors, Place #2
Carmen Roberts, Place #4
Chad Anderson, Place #6

AGAINST:

PRESENT and not voting:

Sean Terry, Mayor

ABSENT:

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Celina last year to the taxes proposed to be imposed on the average residence homestead by City of Celina this year:

	2019	2020	Change
Total Tax Rate (per \$100 of value)	\$0.645000	\$0.645000	decrease of \$0.000000 or 0.00%
Average homestead taxable value	\$381,742	\$379,359	decrease of -0.62%
Tax on average homestead	\$2,462	\$2,447	decrease of -\$15 or -0.62%
Total tax levy on all properties	\$11,164,017	\$12,463,130	increase of \$1,299,113 or 11.64%

For assistance with tax calculations, please contact the tax assessor for City of Celina at 972-547-5020 or taxassessor@collincountytx.gov, or visit www.collincountytx.gov for more information.



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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 8, 2020
Re: Celina 12 Annexation

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 13 acres within the Extraterritorial Jurisdiction, generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Annexation) (Mohan)

Applicant:

Kirkman Engineering
5200 SH 121
Colleyville, TX 76034

Background Information:

Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Staff Presentation
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



Attachment: Location Map (Celina 12 Annexation)

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Celina 12 Location Map

Date: 7/29/2020

Legend

- Subject Property
- Roads
- Parcels

0 310 620 Feet

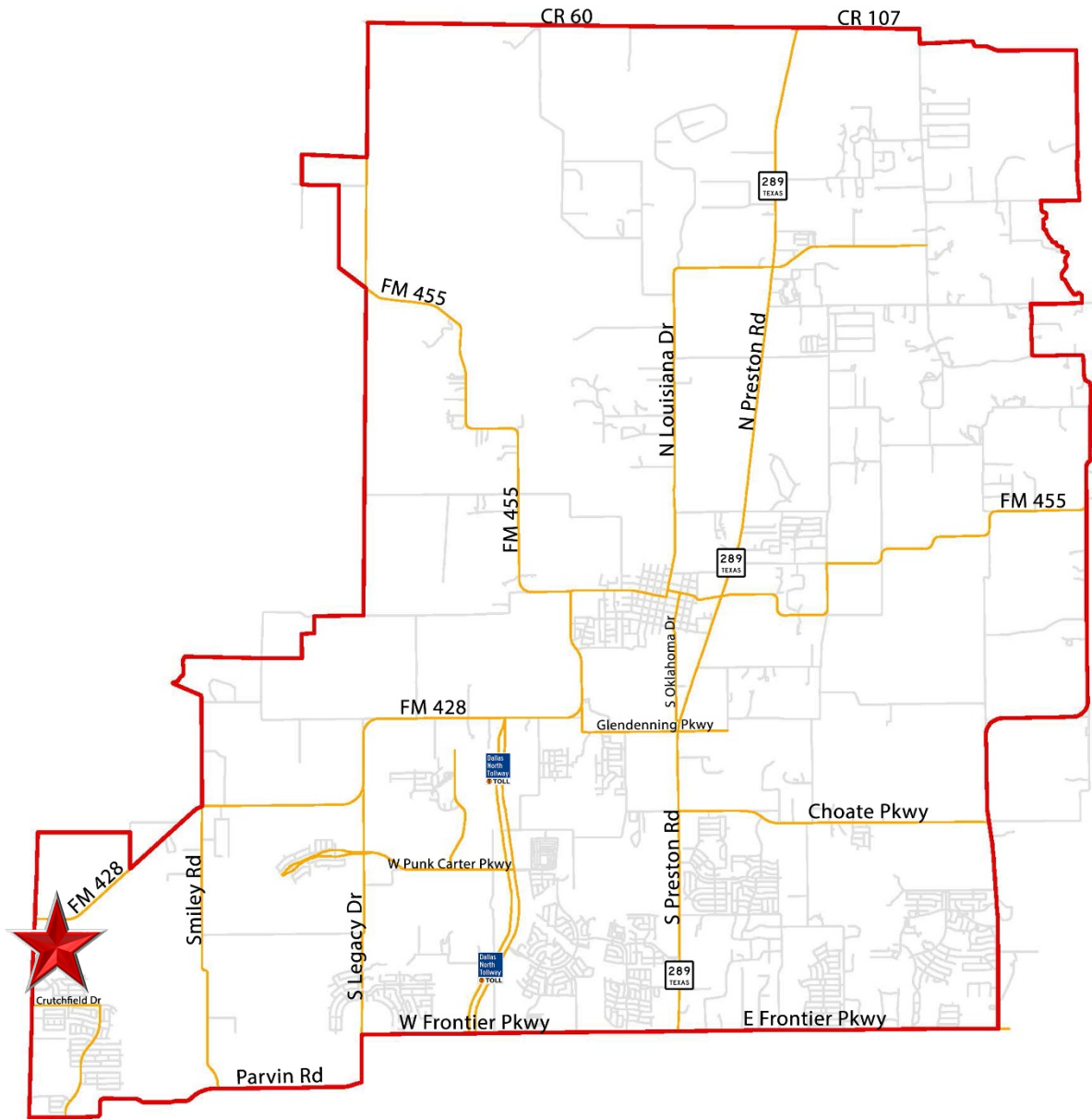
Packet Pg. 738

Celina 12

Annexation & Zoning

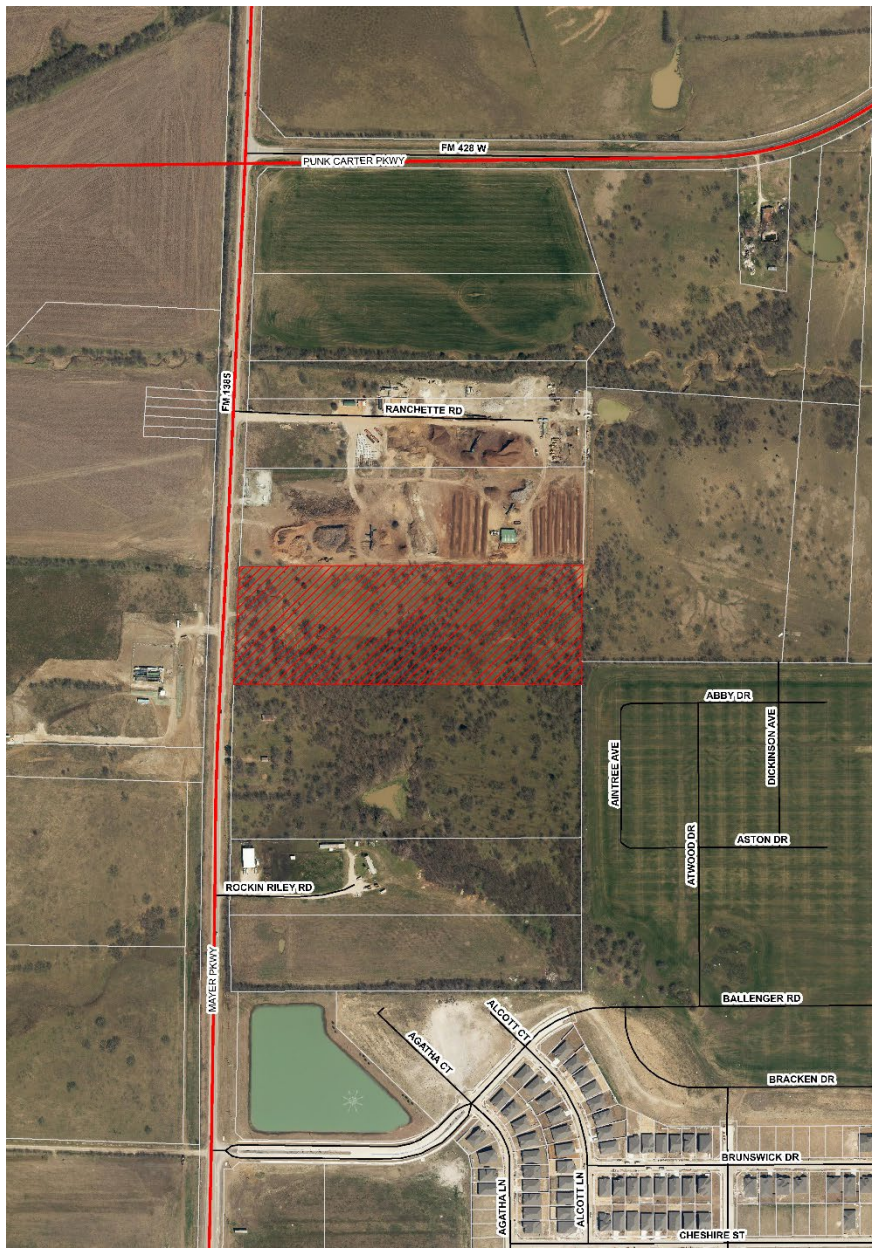
City Council

September 8, 2020



Location Map

The subject property is generally located east of FM 1385 and approximately 1,500 feet south of Punk Carter Parkway (FM 428)



Attachment: Staff Presentation (Celina 12 Annexation)

Background

- The property is approximately 13 acres and is currently in the Extraterritorial Jurisdiction (ETJ)
- The request is to zone the property to C, Commercial, Office, & Retail District
- The annexation & zoning requests will be considered concurrently by City Council this evening

Attachment: Staff Presentation (Celina 12 Annexation)

Policy Considerations

- C is an appropriate zoning district along FM 1385 which will be a six lane divided road
- C zoning will help market the property
- This property has an existing pre-annexation agreement and the applicant is willing to zone and annex to the City 12 years prior to the expiration of that agreement

Recommendation

- The Planning & Zoning Commission unanimously recommended approval of the zoning request at its August 18th regular meeting
- Staff recommends approval of both the Annexation and Zoning as presented

**CITY OF CELINA, TEXAS
ORDINANCE NO. 2020-_____
CELINA 12 C-3 ANNEXATION**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, ADOPTING THE ANNEXATION OF CERTAIN TERRITORY LOCATED IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF CELINA, TEXAS, TO WIT: BEING APPROXIMATELY 13 ACRES OF LAND, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED IN AND GRAPHICALLY DEPICTED IN EXHIBIT “A”, SUCH TRACT IS GENERALLY LOCATED EAST OF FM 1385 AND APPROXIMATELY 1,500 FEET SOUTH PUNK CARTER PARKWAY AND ALL ADJACENT RIGHTS-OF-WAY; PROVIDING FOR INCORPORATION OF PREMISES, AMENDING OF THE OFFICIAL CITY MAP, AND ACKNOWLEDGING A SERVICE PLAN; REQUIRING THE FILING OF THIS ORDINANCE WITH THE COUNTY CLERK; PRESCRIBING FOR EFFECT ON TERRITORY, GRANTING AS APPROPRIATE TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF THE CITY OF CELINA, TEXAS; PROVIDING CUMULATIVE REPEALER, SEVERABILITY AND SAVINGS CLAUSES; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter (the “City”); and

WHEREAS, following receipt of a request from each owner (the “Owners”) of the Property (defined below) requesting annexation, a public hearing was conducted in accordance with Section 43.0673 of the Texas Local Government Code, on the 8th day of September, 2020, in the Council Chamber located at 112 N. Colorado in the City of Celina, to consider the annexation of the property being more particularly described and depicted in Exhibit “A”, attached hereto and incorporated as if fully set forth herein (the “Property”); and

WHEREAS, any and all required written notices and offers were timely sent to all property owners and others entitled to same; and

WHEREAS, the notices of the public hearings were published in *The Celina Record*, a newspaper of general circulation within the City of Celina, Texas, 28th day of August, 2020, such date being not more than twenty (20) days nor less than ten (10) days prior to each public hearing; and

WHEREAS, all required statutory notices pursuant to Chapter 43 of the Texas Local Government Code have been accomplished, including posting on the City’s internet website; and

WHEREAS, the City Council of the City of Celina, Texas has determined that such territory is located in the extraterritorial jurisdiction of the City of Celina, Texas; and

WHEREAS, the City Council of the City of Celina, Texas has investigated into, has determined and officially finds that no part of such territory is within the extraterritorial jurisdiction of any other incorporated city or town; and

WHEREAS, to the extent that this Ordinance would cause an unincorporated area to be entirely surrounded by the City of Celina’s limits, the City Council has found - and incorporates herein its finding - that surrounding the area is in the public interest; and

WHEREAS, the Owners and the City have entered into a written agreement, with a ten (20) year

Attachment: Draft Ordinance (Celina 12 Annexation)

term, regarding services to be provided for the Property prior to the effective date of annexation of the Property, the substantive body of which is attached hereto as Exhibit "B", attached hereto and incorporated as if fully set forth herein.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
OFFICIAL CITY MAP AMENDED

1. The official map and boundaries of the City are hereby amended so as to include the Property and any and all adjacent rights-of-way, and that such territory shall be and is hereby annexed into the corporate limits of the City.
2. The Mayor is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory hereby annexed as required by law.

SECTION 3
ANNEXATION OF AREA

The Property, and any and all adjacent rights-of-way, is hereby annexed into the City, and that the boundary limits of the City be and the same are hereby extended to include the Property and any and all adjacent rights-of-way within the city limits of the City, and the same shall hereafter be included within the territorial limits of the City, and the inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the City and they shall be bound by the acts, ordinances, resolutions, and regulations of the City.

SECTION 4
FILING OF ORDINANCE REQUIRED

The City Secretary shall file or cause to be filed a certified copy of this Ordinance in the office of the County Clerk of each county in which all or a portion of the Property and any and all adjacent rights-of-way is located, and any other necessary agencies, including the United States Department of Justice.

SECTION 5
EFFECT ON TERRITORY

From and after the passage of this Ordinance, the Property and any and all adjacent rights-of-way shall be a part of the City of Celina, Texas, and subject to the service agreement referenced in the above Premises incorporated by Section 1 of this Ordinance. The inhabitants thereof shall be entitled to all of the rights, privileges and immunities as all other citizens of the City of Celina, Texas, and shall be bound by all of the Ordinances and regulations enacted pursuant to and in conformity with the general laws of the State of Texas.

SECTION 6
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take

effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 7
SEVERABILITY

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect. The City Council hereby declares that if there is an error in any call or description in Exhibit "A" preventing any portion of the Property and any and all adjacent rights-of-way from being annexed, the City Council would have annexed all remaining area having correct calls or descriptions and or would have corrected the call or description to include the entire intended area in this annexation.

SECTION 8
ENGROSSMENT AND ENROLLMENT

The City Secretary of the City of Celina is hereby directed to engross and enroll this Ordinance by copying the Caption in the minutes of the City Council of the City of Celina and by filing this Ordinance in the Ordinance records of the City.

SECTION 9
EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after its date of passage.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, on this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

APPROVED AS TO FORM:

Vicki Tarrant, City Secretary
City of Celina, Texas

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Celina 12 Annexation)

Exhibit "A"
Property Legal Description and Depiction
Including and any and all adjacent rights-of-way

Legal Description

12.264 ACRES
T. MCINTYRE SURVEY, A-903
DENTON COUNTY, TEXAS

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE T. MCINTYRE SURVEY, ABSTRACT NO. 903, DENTON COUNTY, TEXAS, BEING A RESURVEY OF THAT CERTAIN CALLED 12.29 ACRE TRACT OF LAND DESCRIBED IN DEED TO 28 & 12 FARM ON PRESTON ROAD, LTD., RECORDED IN DOCUMENT #2004-137416, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT BEING HEREIN DESCRIBED AT A 5/8-INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF F.M. 1385 FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 16.000 ACRE TRACT OF LAND DESCRIBED IN DEED TO JEFF HAMMER, RECORDED IN VOLUME 2146, PAGE 762, DEED RECORDS, DENTON COUNTY, TEXAS AND FOR THE SOUTHWEST CORNER OF SAID 12.29 ACRE TRACT OF LAND;

THENCE NORTH 02 DEGREES 38 MINUTES 54 SECONDS EAST, WITH THE EAST RIGHT-OF-WAY LINE OF SAID F.M. 1385, A DISTANCE OF 428.17 FEET TO A CAPPED IRON ROD SET FOR THE SOUTHWEST CORNER OF THAT CERTAIN CALLED 10.00 ACRE TRACT OF LAND DESCRIBED IN DEED TO HENRY PRICE AND WIFE ANNETTE PRICE, RECORDED IN DOCUMENT #2003-R0084593, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 10.00 ACRE TRACT OF LAND BEARS NORTH 02 DEGREES 40 MINUTES 33 SECONDS EAST, A DISTANCE OF 349.98 FEET;

THENCE NORTH 89 DEGREES 30 MINUTES 51 SECONDS EAST, A DISTANCE OF 1246.68 FEET TO A CAPPED IRON ROD SET IN THE WEST LINE OF THAT CERTAIN CALLED 38.223 ACRE TRACT OF LAND DESCRIBED IN DEED TO BLUE ANGUS RANCH, LP., RECORDED IN DOCUMENT #2007-107216, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A CAPPED IRON ROD FOUND FOR REFERENCE BEARS SOUTH 89 DEGREES 30 MINUTES 51 SECONDS WEST, A DISTANCE OF 1.29 FEET;

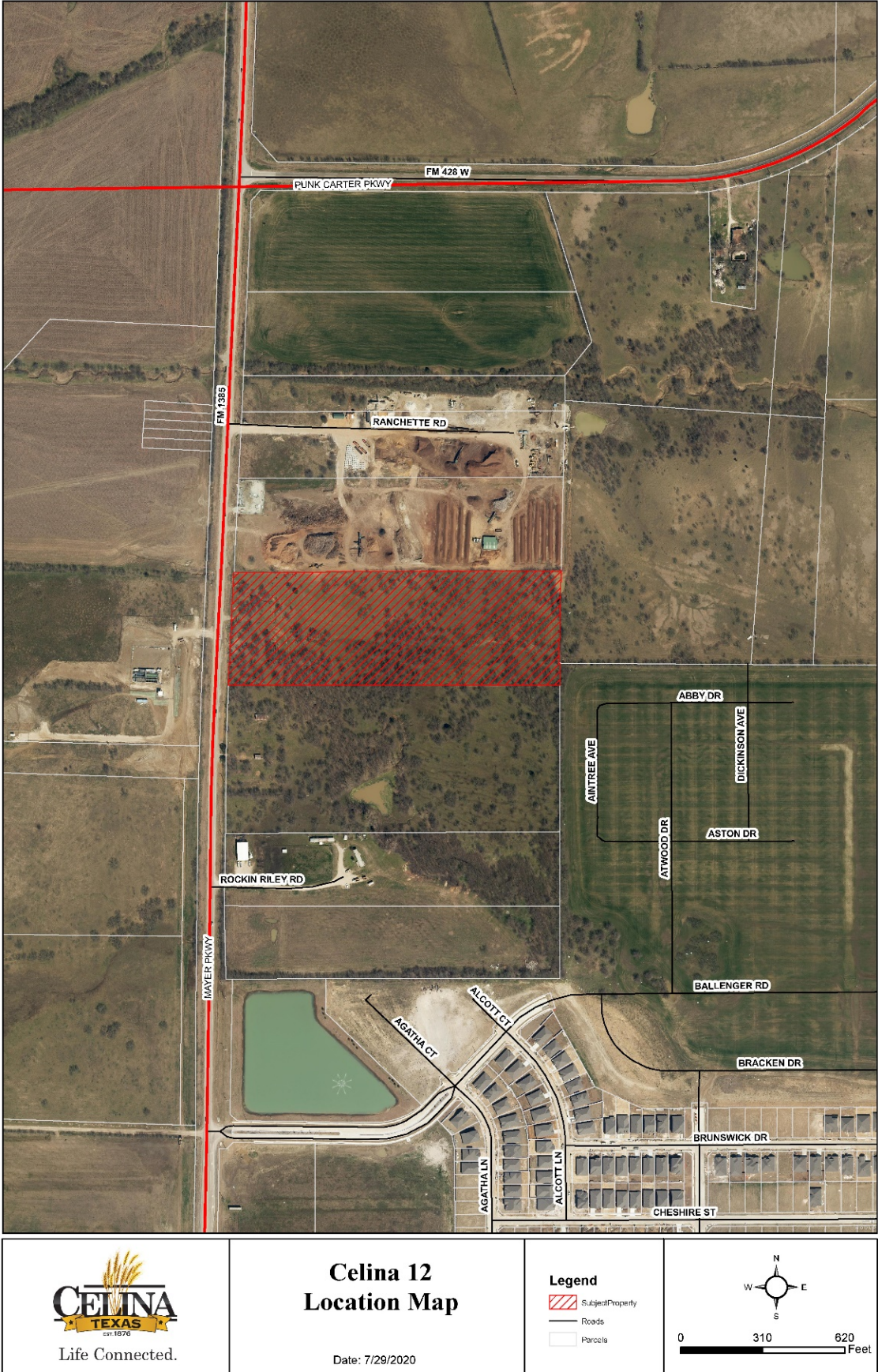
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Attachment: Draft Ordinance (Celina 12 Annexation)

73.67 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 16.000 ACRE TRACT OF LAND;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, A DISTANCE OF 1250.15 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.264 ACRES OF LAND, MORE OR LESS.



Attachment: Draft Ordinance (Celina 12 Annexation)

Exhibit “B”
Substance from body of executed Service Agreement for C-3 Annexed Property

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
 - b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and

equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.

- d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.

3) **Emergency Medical Services**

- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
- b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
- c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
- d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.
- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the

inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.

- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.
- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.



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 8, 2020
Re: Celina 12 Zoning

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 13 acre tract of land to Commercial, Office, & Retail District (C), generally located east of FM 1385 and approximately 1,500 feet south Punk Carter Parkway (FM 428). (Celina 12 Zoning) (Mohan)

Applicant:

Kirkman Engineering
5200 SH 121
Colleyville, TX 76034

Background Information:

Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



Attachment: Location Map (Celina 12 Zoning)

Life Connected.

Celina 12 Location Map

Date: 7/29/2020

Legend

- Subject Property
- Roads
- Parcels

0 310 620 Feet

Packet Pg. 757

CITY OF CELINA, TEXAS

ORDINANCE 2020-____
CELINA 12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 13 ACRE TRACT OF LAND LOCATED IN THE T. MCINTYRE SURVEY, ABSTRACT NO. 903, DENTON COUNTY, TEXAS, AND GENERALLY LOCATED EAST OF FM 1385 AND APPROXIMATELY 1,500 FEET SOUTH PUNK CARTER PARKWAY (FM 428); AS DESCRIBED IN EXHIBIT “A” AND DEPICTED IN EXHIBIT “B” AND INCORPORATED HEREIN TO BE ZONED COMMERCIAL, OFFICE, & RETAIL ZONING District (C) PROVIDING FOR INCORPORATION OF PREMISES, FINDINGS, AMENDMENT OF ZONING CLASSIFICATION, ZONING DESIGNATION AND DEVELOPMENT REGULATIONS, REVISION OF ZONING MAP, COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 PER OFFENSE AND OTHER ENFORCEMENT MECHANISMS; PROVIDING CUMULATIVE REPEALER, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Section 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” and depicted in Exhibit “B” attached hereto and incorporated herein; and

WHEREAS, the City Council has considered, among other things, the character of the property and its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
FINDINGS

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3
AMENDMENT OF ZONING CLASSIFICATION

That the zoning classification is hereby established as Commercial, Office, & Retail Zoning District (C) on a certain tract of land described in Exhibit "A" and depicted in Exhibit "B"

SECTION 4
ZONING DESIGNATION

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City's Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, described in Exhibit "A" and depicted in Exhibit "B" attached hereto and incorporated herein as Commercial, Office, & Retail Zoning District (C).

SECTION 5
REVISION OF ZONING MAP

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6
COMPLIANCE REQUIRED

That the property described in Exhibit "A" and depicted in Exhibit "B" hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended.

SECTION 7
PENALTY

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

Attachment: Draft Ordinance (Celina 12 Zoning)

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13 **EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Celina 12 Zoning)

Exhibit A Legal Description

12.264 ACRES
T. MCINTYRE SURVEY, A-903
DENTON COUNTY, TEXAS

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE T. MCINTYRE SURVEY, ABSTRACT NO. 903, DENTON COUNTY, TEXAS, BEING A RESURVEY OF THAT CERTAIN CALLED 12.29 ACRE TRACT OF LAND DESCRIBED IN DEED TO 28 & 12 FARM ON PRESTON ROAD, LTD., RECORDED IN DOCUMENT #2004-137416, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT BEING HEREIN DESCRIBED AT A 5/8-INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF F.M. 1385 FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 16.000 ACRE TRACT OF LAND DESCRIBED IN DEED TO JEFF HAMMER, RECORDED IN VOLUME 2146, PAGE 762, DEED RECORDS, DENTON COUNTY, TEXAS AND FOR THE SOUTHWEST CORNER OF SAID 12.29 ACRE TRACT OF LAND;

THENCE NORTH 02 DEGREES 38 MINUTES 54 SECONDS EAST, WITH THE EAST RIGHT-OF-WAY LINE OF SAID F.M. 1385, A DISTANCE OF 428.17 FEET TO A CAPPED IRON ROD SET FOR THE SOUTHWEST CORNER OF THAT CERTAIN CALLED 10.00 ACRE TRACT OF LAND DESCRIBED IN DEED TO HENRY PRICE AND WIFE ANNETTE PRICE, RECORDED IN DOCUMENT #2003-R0084593, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 10.00 ACRE TRACT OF LAND BEARS NORTH 02 DEGREES 40 MINUTES 33 SECONDS EAST, A DISTANCE OF 349.98 FEET;

THENCE NORTH 89 DEGREES 30 MINUTES 51 SECONDS EAST, A DISTANCE OF 1246.68 FEET TO A CAPPED IRON ROD SET IN THE WEST LINE OF THAT CERTAIN CALLED 38.223 ACRE TRACT OF LAND DESCRIBED IN DEED TO BLUE ANGUS RANCH, LP., RECORDED IN DOCUMENT #2007-107216, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A CAPPED IRON ROD FOUND FOR REFERENCE BEARS SOUTH 89 DEGREES 30 MINUTES 51 SECONDS WEST, A DISTANCE OF 1.29 FEET;

THENCE SOUTH 02 DEGREES 32 MINUTES 37 SECONDS WEST, A DISTANCE OF 355.89 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 127.897 ACRE TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS II, LLC, RECORDED IN DOCUMENT #2015-127939, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE SOUTHWEST CORNER OF SAID 38.223 ACRE TRACT OF LAND;

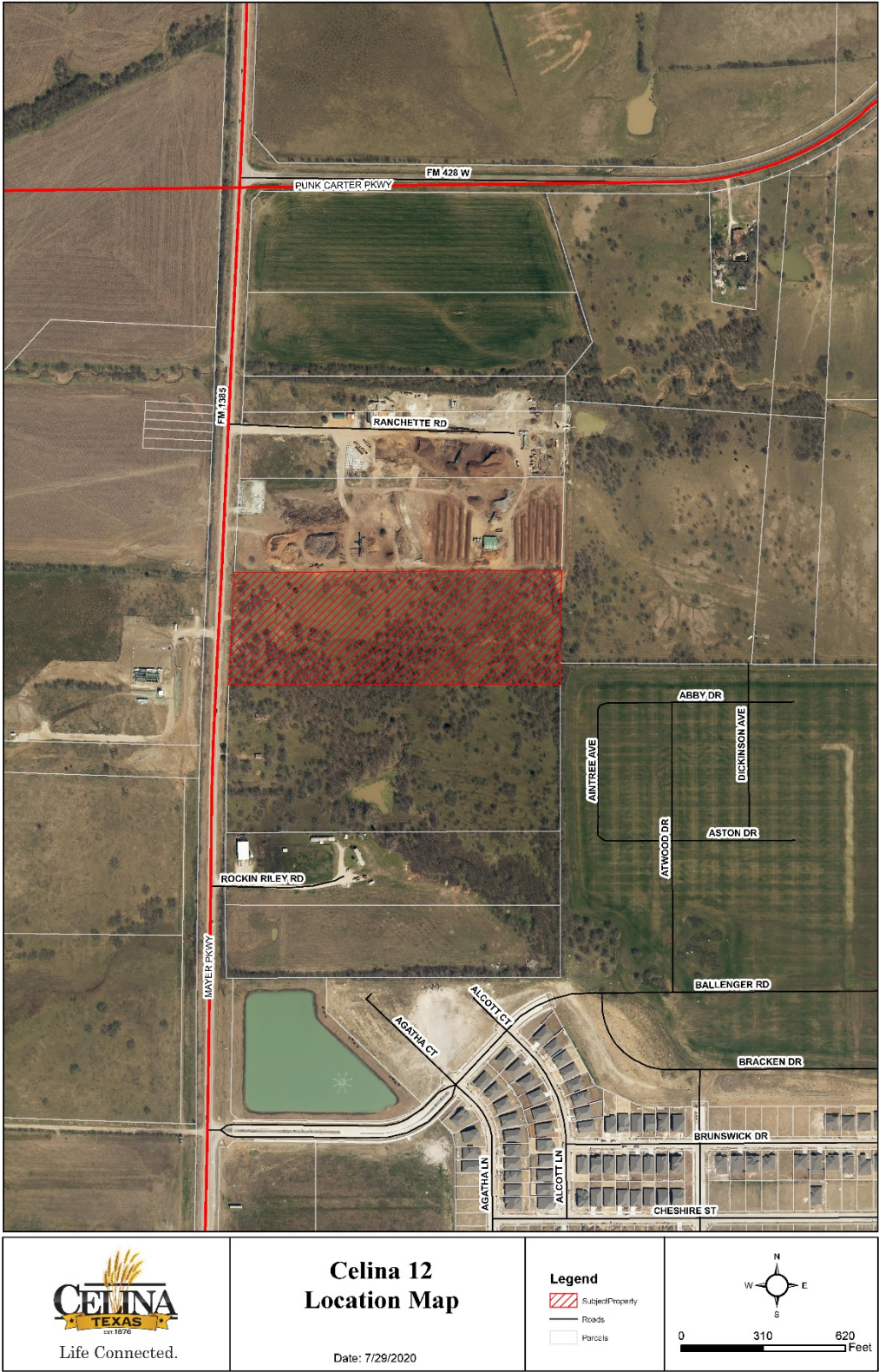
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Attachment: Draft Ordinance (Celina 12 Zoning)

73.67 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 16.000 ACRE TRACT OF LAND;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, A DISTANCE OF 1250.15 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.264 ACRES OF LAND, MORE OR LESS.

Exhibit B
Property Exhibit



Attachment: Draft Ordinance (Celina 12 Zoning)



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 8, 2020
Re: Founder's Square Annexation

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 79 acres within the Extraterritorial Jurisdiction, generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Annexation) (Mohan)

Applicant:

Clint Bissett
Pacheco Koch
118 N. Ohio
Celina, TX 75009

Background Information:

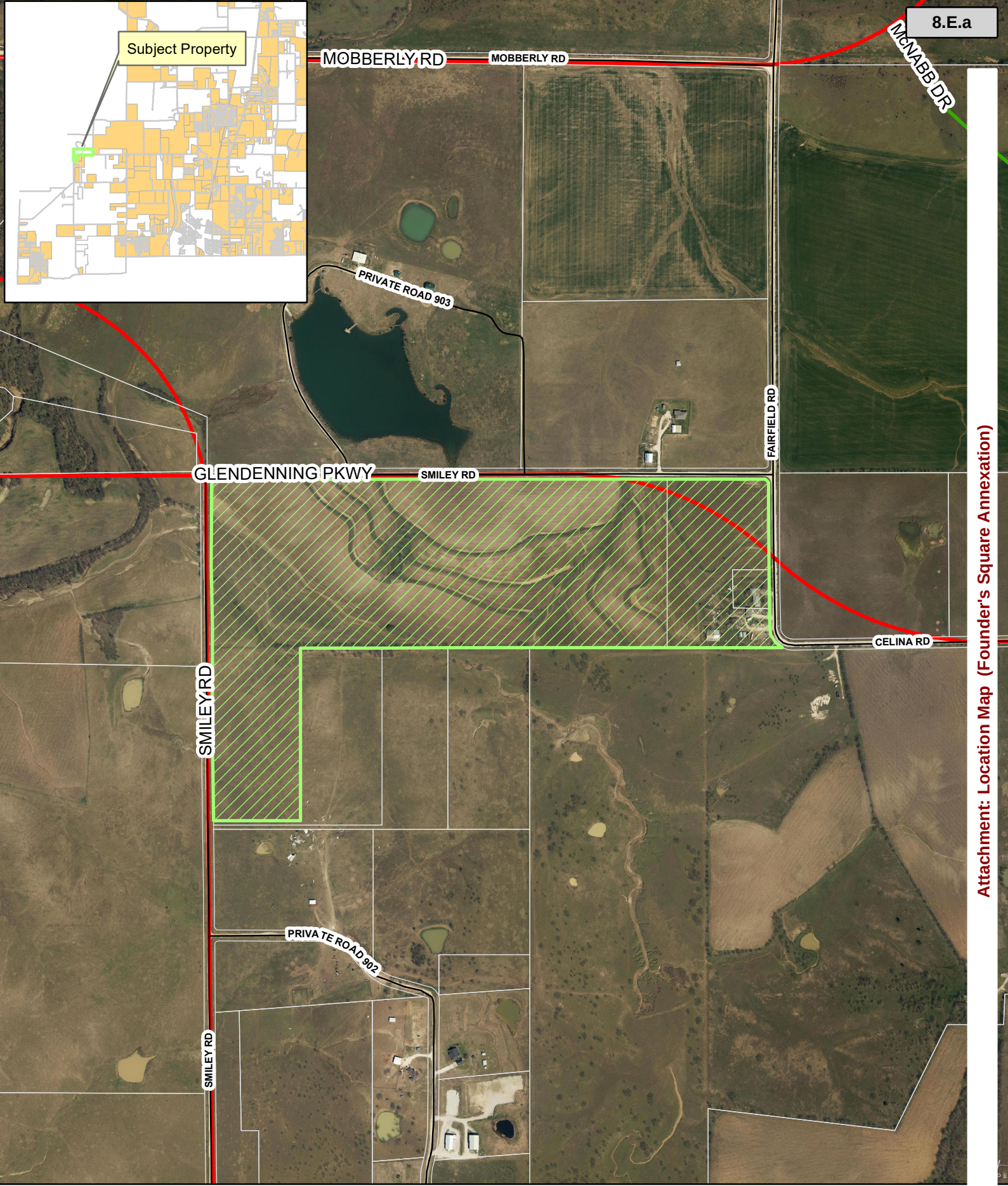
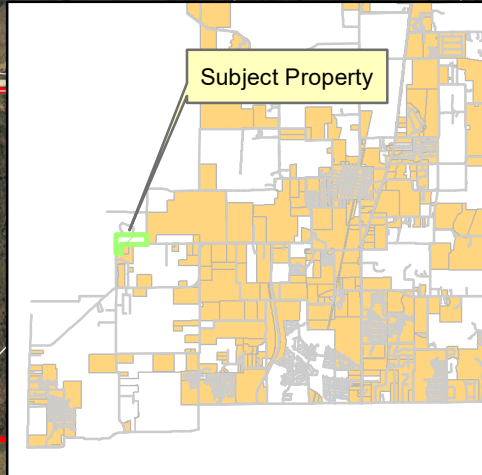
Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Staff Presentation
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



8.E.a

Attachment: Location Map (Founder's Square Annexation)



Location Map Founders Square

Date: 6/15/2020

Legend

- Roads
-  FounderSquare
-  Parcels



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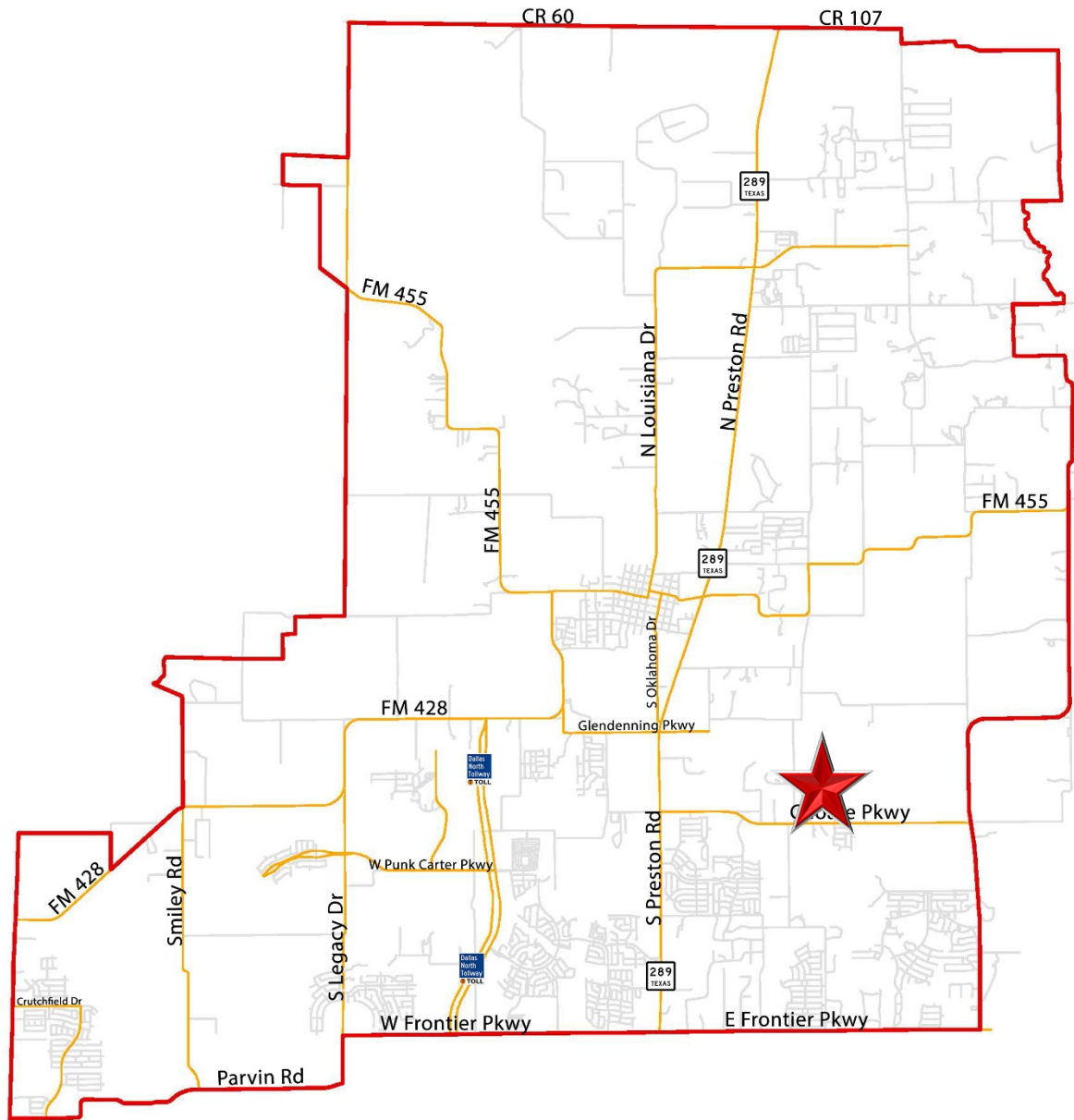
0 Feet

Bellevue Partners (Mancuso)

Annexation & Planned Development

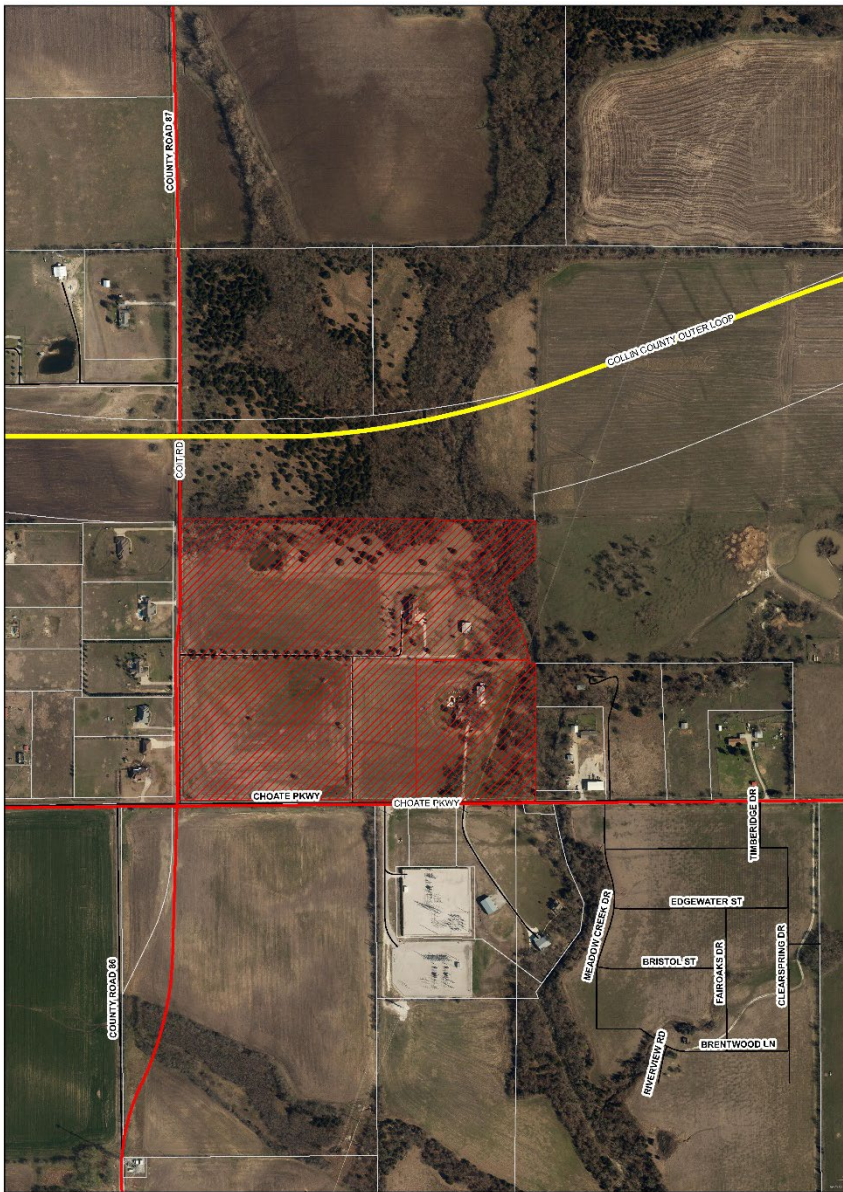
City Council

September 8, 2020



Location Map

The subject property is generally at the intersection of the future Collin County Outer Loop, Coit Road, and Choate Parkway

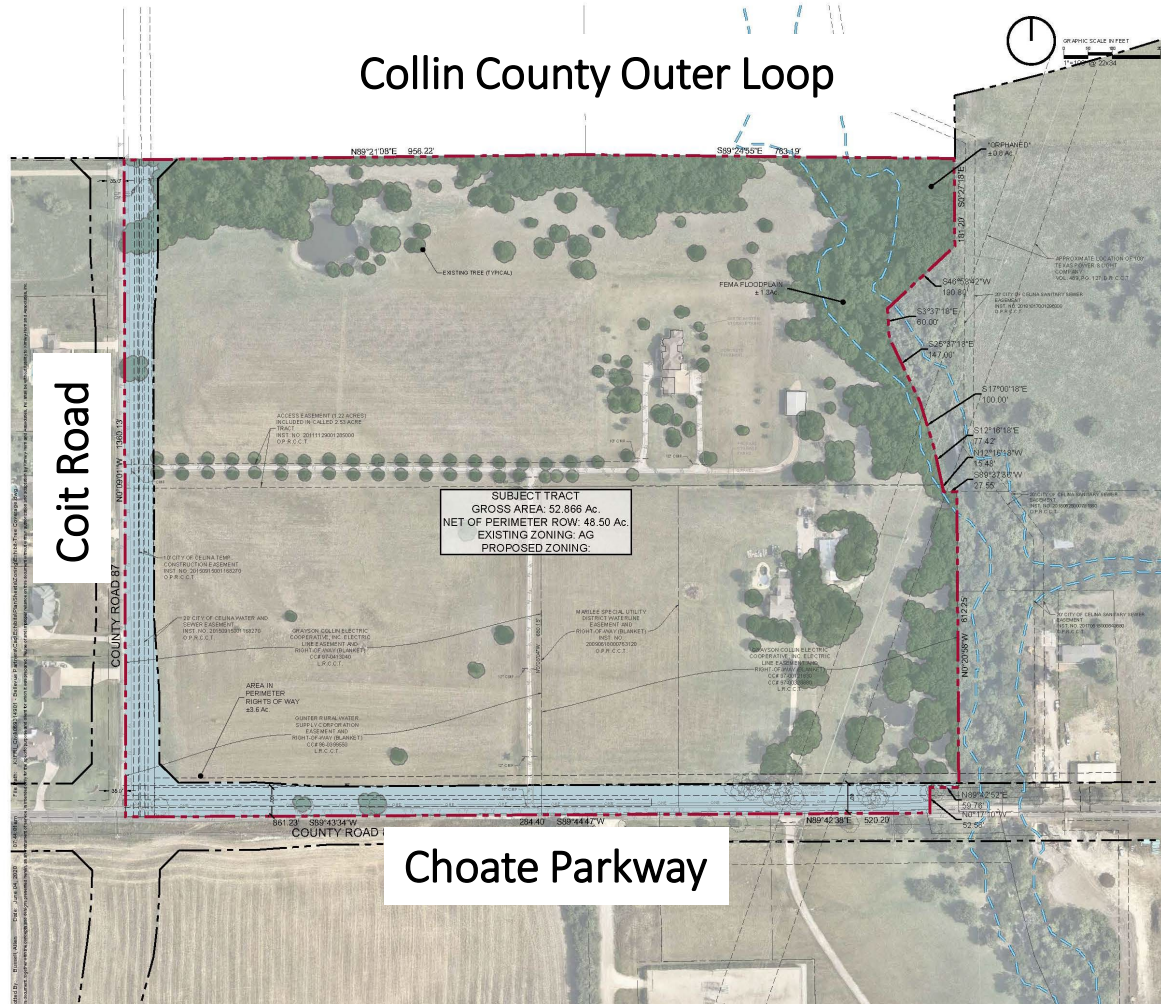


Attachment: Staff Presentation (Founder's Square Annexation)

Background

- The property is approximately 53 acres within both the Extraterritorial Jurisdiction (ETJ) and the City Limits
- The property is at a major hard corner of the future Outer Loop and Coit Road
- The Planned Development will have a base zoning of the Collin County Outer Loop Overlay (CCOLO)

Collin County Outer Loop



Project Overview

- Staff believes that the CCOLO base zoning sufficiently covers the City's needs and is appropriately market friendly
- The applicant is requesting the ability to apply for Specific Use Permits (SUPs) for a few additional land uses, such as carwash, single-family attached (townhomes), and senior living uses
- Staff has no objection to these land uses since the City retains final approval authority through the SUPs

Policy Considerations

- The PD uses the CCOLO base zoning (1st time – affirmation that it is market based)
- The PD will help market the subject property
- City standards apply

P&Z Public Hearing

- One resident asked general questions regarding the Collin County Outer Loop Overlay (CCOLO) zoning district
- Another resident inquired about how to obtain CCOLO zoning for their own property, which is across Coit Road from the subject property and borders the Collin County Outer Loop

Recommendation

- The Planning & Zoning Commission unanimously recommended approval of the zoning request at its August 18th regular meeting
- Staff recommends approval of both the Annexation and PD Zoning as presented

**CITY OF CELINA, TEXAS
ORDINANCE NO. 2020-_____
FOUNDER'S SQUARE C-3 ANNEXATION**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, ADOPTING THE ANNEXATION OF CERTAIN TERRITORY LOCATED IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF CELINA, TEXAS, TO WIT: BEING APPROXIMATELY 79 ACRES OF LAND, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED IN AND GRAPHICALLY DEPICTED IN EXHIBIT "A", SUCH TRACT IS GENERALLY LOCATED AT THE SOUTHEAST CORNER OF FUTURE GLENDENNING PARKWAY AND SMILEY ROAD AND ALL ADJACENT RIGHTS-OF-WAY; PROVIDING FOR INCORPORATION OF PREMISES, AMENDING OF THE OFFICIAL CITY MAP, AND ACKNOWLEDGING A SERVICE PLAN; REQUIRING THE FILING OF THIS ORDINANCE WITH THE COUNTY CLERK; PRESCRIBING FOR EFFECT ON TERRITORY, GRANTING AS APPROPRIATE TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF THE CITY OF CELINA, TEXAS; PROVIDING CUMULATIVE REPEALER, SEVERABILITY AND SAVINGS CLAUSES; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter (the "City"); and

WHEREAS, following receipt of a request from each owner (the "Owners") of the Property (defined below) requesting annexation, a public hearing was conducted in accordance with Section 43.0673 of the Texas Local Government Code, on the 8th day of September, 2020, in the Council Chamber located at 112 N. Colorado in the City of Celina, to consider the annexation of the property being more particularly described and depicted in Exhibit "A", attached hereto and incorporated as if fully set forth herein (the "Property"); and

WHEREAS, any and all required written notices and offers were timely sent to all property owners and others entitled to same; and

WHEREAS, the notices of the public hearings were published in *The Celina Record*, a newspaper of general circulation within the City of Celina, Texas, 28th day of August, 2020, such date being not more than twenty (20) days nor less than ten (10) days prior to each public hearing; and

WHEREAS, all required statutory notices pursuant to Chapter 43 of the Texas Local Government Code have been accomplished, including posting on the City's internet website; and

WHEREAS, the City Council of the City of Celina, Texas has determined that such territory is located in the extraterritorial jurisdiction of the City of Celina, Texas; and

WHEREAS, the City Council of the City of Celina, Texas has investigated into, has determined and officially finds that no part of such territory is within the extraterritorial jurisdiction of any other incorporated city or town; and

WHEREAS, to the extent that this Ordinance would cause an unincorporated area to be entirely surrounded by the City of Celina's limits, the City Council has found - and incorporates herein its finding - that surrounding the area is in the public interest; and

WHEREAS, the Owners and the City have entered into a written agreement, with a ten (20) year

Attachment: Draft Ordinance (Founder's Square Annexation)

term, regarding services to be provided for the Property prior to the effective date of annexation of the Property, the substantive body of which is attached hereto as Exhibit "B", attached hereto and incorporated as if fully set forth herein.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
OFFICIAL CITY MAP AMENDED

1. The official map and boundaries of the City are hereby amended so as to include the Property and any and all adjacent rights-of-way, and that such territory shall be and is hereby annexed into the corporate limits of the City.
2. The Mayor is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory hereby annexed as required by law.

SECTION 3
ANNEXATION OF AREA

The Property, and any and all adjacent rights-of-way, is hereby annexed into the City, and that the boundary limits of the City be and the same are hereby extended to include the Property and any and all adjacent rights-of-way within the city limits of the City, and the same shall hereafter be included within the territorial limits of the City, and the inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the City and they shall be bound by the acts, ordinances, resolutions, and regulations of the City.

SECTION 4
FILING OF ORDINANCE REQUIRED

The City Secretary shall file or cause to be filed a certified copy of this Ordinance in the office of the County Clerk of each county in which all or a portion of the Property and any and all adjacent rights-of-way is located, and any other necessary agencies, including the United States Department of Justice.

SECTION 5
EFFECT ON TERRITORY

From and after the passage of this Ordinance, the Property and any and all adjacent rights-of-way shall be a part of the City of Celina, Texas, and subject to the service agreement referenced in the above Premises incorporated by Section 1 of this Ordinance. The inhabitants thereof shall be entitled to all of the rights, privileges and immunities as all other citizens of the City of Celina, Texas, and shall be bound by all of the Ordinances and regulations enacted pursuant to and in conformity with the general laws of the State of Texas.

SECTION 6
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take

effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 7 **SEVERABILITY**

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect. The City Council hereby declares that if there is an error in any call or description in Exhibit "A" preventing any portion of the Property and any and all adjacent rights-of-way from being annexed, the City Council would have annexed all remaining area having correct calls or descriptions and or would have corrected the call or description to include the entire intended area in this annexation.

SECTION 8 **ENGROSSMENT AND ENROLLMENT**

The City Secretary of the City of Celina is hereby directed to engross and enroll this Ordinance by copying the Caption in the minutes of the City Council of the City of Celina and by filing this Ordinance in the Ordinance records of the City.

SECTION 9 **EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its date of passage.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, on this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

APPROVED AS TO FORM:

Vicki Tarrant, City Secretary
City of Celina, Texas

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Founder's Square Annexation)

Exhibit "A"
Property Legal Description and Depiction
Including and any and all adjacent rights-of-way

Legal Description

78.24 Acre Tract

All that certain 78.24 acre tract or parcel of land situated in the R. Cowen Survey, Abstract Number 211, County of Denton, State of Texas, said tract being the remaining part of a tract as described in deed to Donnie Jay Tamplen and Linda Diane Stone, filed 25 September 1996, and recorded in clerk's document number 96-067653 and 96-067654 of the Real Property Records of said Denton County, and said tract being all of a called 12.360 acre tract as described in a deed to Jack W. Tamplen, filed 21 July 1981, and recorded in volume 1092 page 392 of the Deed Records of said Denton County, said tract also encompassing a called 1.012 acre tract as described in deed to Linda Diana Stone, filed 30 November 2000, and recorded in volume 4726 page 173 of said real property records, and being more particularly described as follows;

BEGINNING for the northeast corner of the tract being described herein at a found iron rod at the intersection of the Smiley Road and Fairfield Road, said rod being the northeast corner of a called 12.360 acre tract, same being the southeast corner of a called 30.00 acre tract of land as described in a deed to Dudley S. Raymond et ux, Bridget K. Raymond, filed 09 August 2004, and recorded in clerk's document number 2004-104932 of the official public records of said Denton County, and said rod being at the southwest corner of a called 744.7097 acre tract as described in a deed to First Leo Land Company LLC, filed 22 March 2016 and recorded in clerk's document number 2016-31284 of said official public records, same being the northwest corner of a called 20.37 acre tract of land as described in a deed to Rejesh G. Arakal and Usha Shanthinin Mani, filed 10 December 2012 and recorded in clerk's document number 2012-139672 of said official public records, said rod also being on the north line of said Cowen Survey, and the southeast corner of the M.E.P. & P. R.R. Co. Survey, Abstract Number 926, same being the southwest corner of the E. Lunn Survey, Abstract Number 783;

THENCE: South 00 degrees 42 minutes 40 seconds East, with the east line of said 12.360 acre tract, and the west line of said Arakal tract and with said Fairfield Road, and passing at 936.53 feet a found nail with cap stamped 5312 being the southwest corner of said Arakal tract, same being the most northerly northwest corner of a called 233.566 acre tract as described in deed to Robert J. Andres and Janis Lyn Andres, Co-Trustees of the Andres Family Trust, filed 26 July 2013, and recorded in county clerks number 2013-92646 of said official public records, and continuing on said course with the west line of said Andres tract, a total distance of 955.93 feet to a set 1/2 inch rebar for the southeast corner of said 12.360 acre tract, same being an ell corner of said Andres tract;

THENCE: South 89 degrees 32 minutes 37 seconds West, with the south line of said Donnie Jay Tamplen tract, and the north line of said Andres tract, and along and near a barbed wire fence, passing at 562.83 feet a set 1/2 inch rebar at the southwest corner of said Tamplen tract, and continuing on said course with the north line of said Andres tract, a distance of 1351.64 feet to a found 1/2 inch iron rod being the northwest corner of said Andres tract, said rod being the northeast corner of Tract One a called 10.587 acre tract of land as described in a deed to Sangani Properties, Ltd., filed 18 August 2004 and recorded in county clerks number 2004-110047 of said official public records, said rod also being South 00 degrees 51 minutes 56 seconds East, a distance of 19.14 feet from a found 1/2 inch rod;

THENCE: South 89 degrees 29 minutes 13 seconds West, with the north line of said Sangani tract, and passing at 447.50 feet a set 1/2 inch rebar by a pipe fence corner post being the northwest corner of said Sangani tract, same being the northeast corner of Tract One, a called 10.1203 acre tract of land as described in a deed to Julia Levit, filed 27 September 2010 and recorded in county clerks number 2010-95523 of said official public records and continuing on said course with the north line of said Levit Tract One, a total distance of 884.88 feet to a found 1/2 inch iron rod being the northwest corner of said Levit Tract One, same being the northeast corner of Tract Two, a called 9.7184 acre tract of land as described in of said Levit deed;

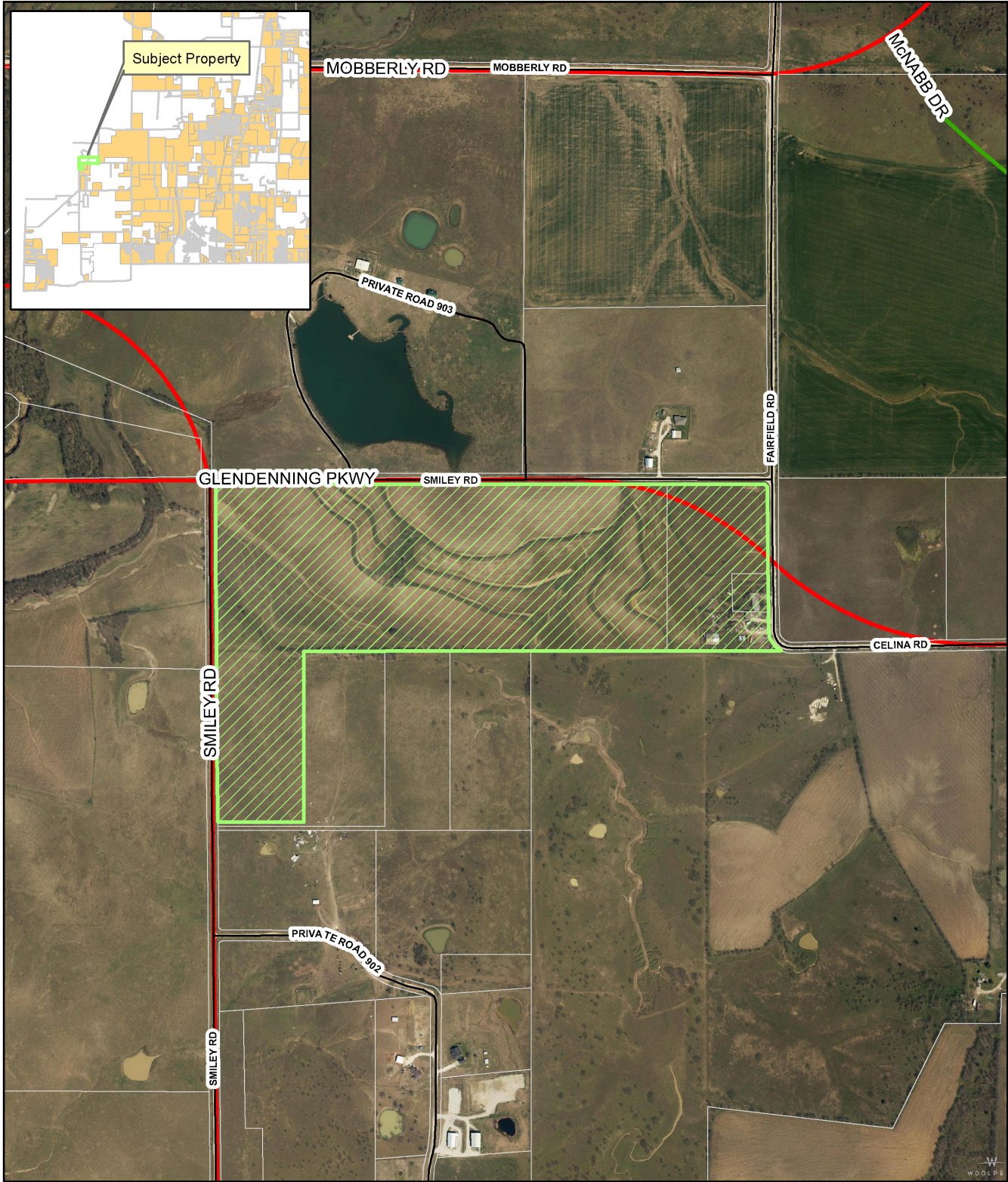
THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, a distance of 437.76 feet a set 1/2 inch rebar to a set 1/2 inch iron rebar for an inner ell corner of this tract, same being the most northerly northwest corner of said Levit Tract Two;

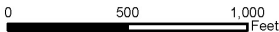
THENCE: South 00 degrees 19 minutes 22 seconds East, with the west line of said Levit Tract Two, a distance of 926.72 feet to a set 1/2 inch rebar for the most southerly southeast corner of this tract, same being an ell corner of said Levit Tract Two;

THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, and passing at 408.09 feet a set 1/2 inch rebar on the east side of said Smiley Road, and continuing on said course, a total distance of 438.09 feet to set 1/2 inch rebar in said road for the southwest corner of this tract, same being the most westerly northwest corner of said Levit Tract Two, and said rebar being on the east line of a called 333.47 acre tract of land as described in a deed to Shiney Hiney Partners II, filed 27 January 1993 and recorded in volume 3435 page 483 of the Real Property Records of said Denton County;

THENCE: North 00 degrees 17 minutes 20 seconds West, with the east line of said Shiney tract and with said Smiley Road, a distance of 1903.33 feet to a set 1/2 inch rebar for the northwest corner of this tract, said rebar being in the north line of said Cowen Survey, and said rebar being on the east line of a called 10.0407 acre tract as described in a deed to David Keith Bennett, filed 17 June 2014 and recorded in clerk's document number 2014-57137 of the official public records, said rebar also being South 00 degrees 39 minutes 06 seconds East, a distance of 15.82 feet from a found iron rod with a plastic cap;

THENCE: North 89 degrees 53 minutes 39 seconds East, with the north line of said Cowen Survey and with said Smiley Road, and passing at 1720.70 feet a found 1 1/2 inch steel square tubing being the southwest corner of said Raymond tract, and continuing on said course with the south line of said Raymond tract, passing at 2542.42 feet a set 1/2 inch rebar at the northeast corner of said , same being the northwest corner of said 12.360 acre tract, and continuing on said course with the south line of said Raymond tract a total distance of 3104.77 feet to the POINT OF BEGINNING and containing 78.24 acres of land.



	Location Map Founders Square Date: 6/15/2020	Legend — Roads  FounderSquare  Parcels	 
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Attachment: Draft Ordinance (Founder's Square Annexation)

Exhibit “B”**Substance from body of executed Service Agreement for C-3 Annexed Property****A) SERVICE PLAN GENERALLY**

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
 - b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and

equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.

- d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.

3) **Emergency Medical Services**

- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
- b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
- c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
- d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.
- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the

inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.

- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.
- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.



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 8, 2020
Re: Founder's Square Zoning

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 79 acre tract of land Mixed-Use District (MU), generally located at the southeast corner of future Glendenning Parkway and Smiley Road. (Founder's Square Zoning) (Mohan)

Applicant:

Clint Bissett
Pacheco Koch
118 N. Ohio
Celina, TX 75009

Background Information:

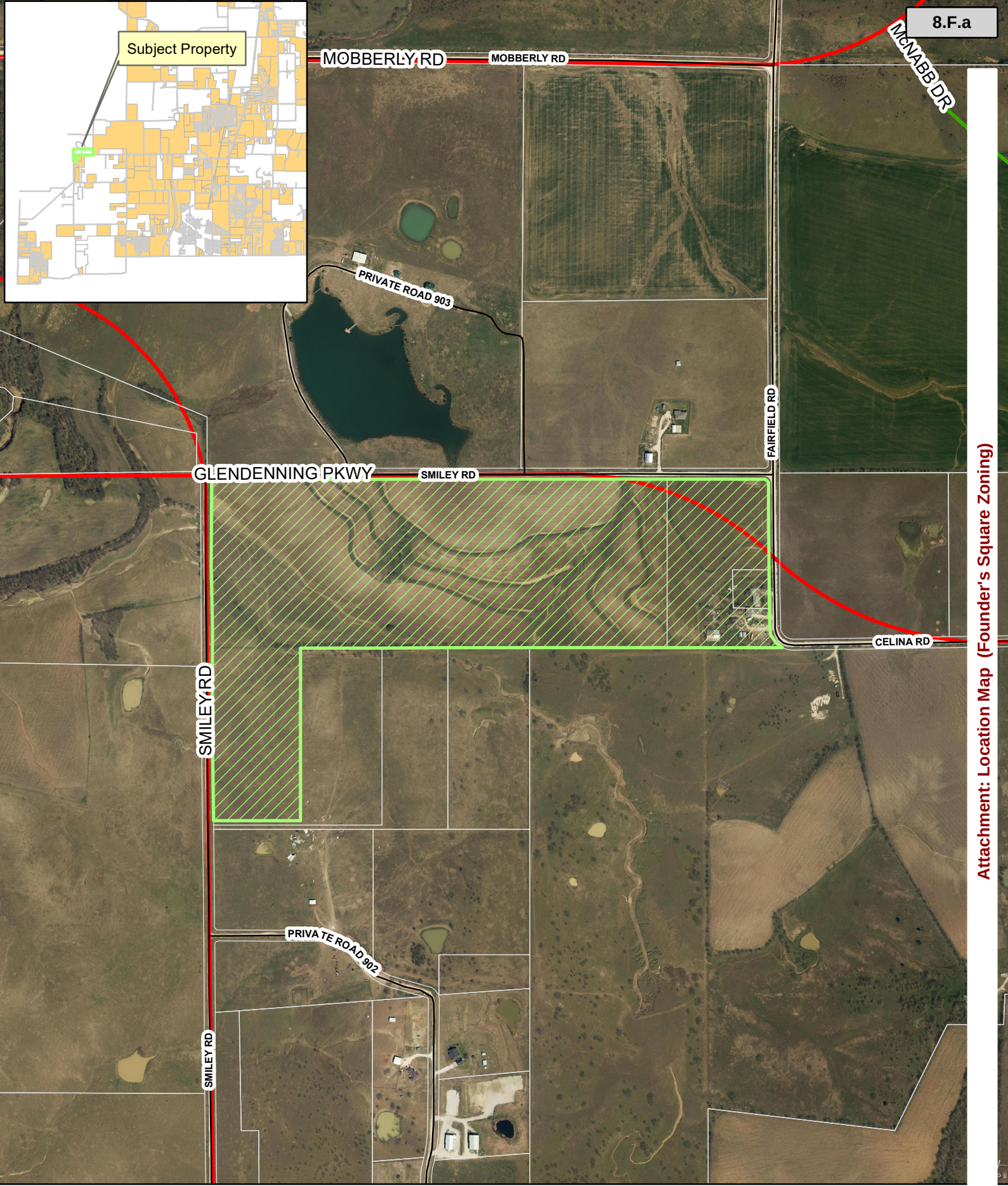
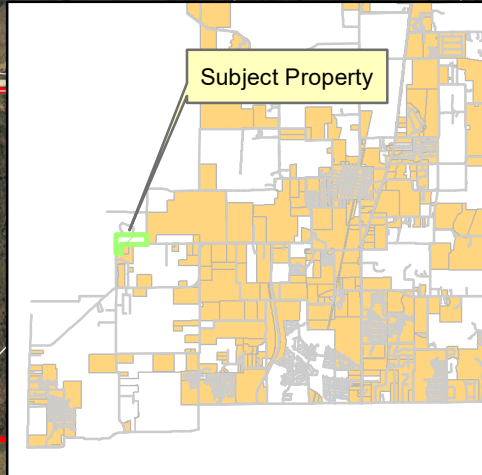
Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



8.F.a

Attachment: Location Map (Founder's Square Zoning)

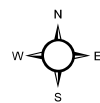


Location Map Founders Square

Date: 6/15/2020

Legend

- Roads
-  FounderSquare
-  Parcels



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Packet Pg. 788

Feet

CITY OF CELINA, TEXAS

ORDINANCE 2020-_____
FOUNDER'S SQUARE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 79 ACRE TRACT OF LAND LOCATED IN THE R. COWEN SURVEY, ABSTRACT NUMBER 211, DENTON COUNTY, TEXAS, AND GENERALLY LOCATED AT THE SOUTHEAST CORNER OF FUTURE GLENDENNING PARKWAY AND SMILEY ROAD; AS DESCRIBED IN EXHIBIT "A" AND DEPICTED IN EXHIBIT "B" AND INCORPORATED HEREIN TO BE ZONED MIXED-USE DISTRICT (MU) PROVIDING FOR INCORPORATION OF PREMISES, FINDINGS, AMENDMENT OF ZONING CLASSIFICATION, ZONING DESIGNATION AND DEVELOPMENT REGULATIONS, REVISION OF ZONING MAP, COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 PER OFFENSE AND OTHER ENFORCEMENT MECHANISMS; PROVIDING CUMULATIVE REPEALER, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Section 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the zoning is in conformance with the existing Development Agreement approved and recorded in July 2020 which outlined the annexation and zoning; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit "A" and depicted in Exhibit "B" attached hereto and incorporated herein; and

WHEREAS, the City Council has considered, among other things, the character of the property and its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated

in the affected area and in the vicinity thereof; and

WHEREAS, City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
FINDINGS

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3
AMENDMENT OF ZONING CLASSIFICATION

That the zoning classification is hereby established as Mixed-Use District (MU) on a certain tract of land described in Exhibit "A" and depicted in Exhibit "B"

SECTION 4
ZONING DESIGNATION

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City's Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, described in Exhibit "A" and depicted in Exhibit "B" attached hereto and incorporated herein as Mixed-Use District (MU).

SECTION 5
REVISION OF ZONING MAP

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6
COMPLIANCE REQUIRED

That the property described in Exhibit "A" and depicted in Exhibit "B" hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended.

SECTION 7
PENALTY

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13 **EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Founder's Square Zoning)

Exhibit A Legal Description

78.24 Acre Tract

All that certain 78.24 acre tract or parcel of land situated in the R. Cowen Survey, Abstract Number 211, County of Denton, State of Texas, said tract being the remaining part of a tract as described in deed to Donnie Jay Tamplen and Linda Diane Stone, filed 25 September 1996, and recorded in clerk's document number 96-067653 and 96-067654 of the Real Property Records of said Denton County, and said tract being all of a called 12.360 acre tract as described in a deed to Jack W. Tamplen, filed 21 July 1981, and recorded in volume 1092 page 392 of the Deed Records of said Denton County, said tract also encompassing a called 1.012 acre tract as described in deed to Linda Diana Stone, filed 30 November 2000, and recorded in volume 4726 page 173 of said real property records, and being more particularly described as follows;

BEGINNING for the northeast corner of the tract being described herein at a found iron rod at the intersection of the Smiley Road and Fairfield Road, said rod being the northeast corner of a called 12.360 acre tract, same being the southeast corner of a called 30.00 acre tract of land as described in a deed to Dudley S. Raymond et ux, Bridget K. Raymond, filed 09 August 2004, and recorded in clerk's document number 2004-104932 of the official public records of said Denton County, and said rod being at the southwest corner of a called 744.7097 acre tract as described in a deed to First Leo Land Company LLC, filed 22 March 2016 and recorded in clerk's document number 2016-31284 of said official public records, same being the northwest corner of a called 20.37 acre tract of land as described in a deed to Rejesh G. Arakal and Usha Shanthinin Mani, filed 10 December 2012 and recorded in clerk's document number 2012-139672 of said official public records, said rod also being on the north line of said Cowen Survey, and the southeast corner of the M.E.P. & P. R.R. Co. Survey, Abstract Number 926, same being the southwest corner of the E. Lunn Survey, Abstract Number 783;

THENCE: South 00 degrees 42 minutes 40 seconds East, with the east line of said 12.360 acre tract, and the west line of said Arakal tract and with said Fairfield Road, and passing at 936.53 feet a found nail with cap stamped 5312 being the southwest corner of said Arakal tract, same being the most northerly northwest corner of a called 233.566 acre tract as described in deed to Robert J. Andres and Janis Lyn Andres, Co-Trustees of the Andres Family Trust, filed 26 July 2013, and recorded in county clerks number 2013-92646 of said official public records, and continuing on said course with the west line of said Andres tract, a total distance of 955.93 feet to a set 1/2 inch rebar for the southeast corner of said 12.360 acre tract, same being an ell corner of said Andres tract;

THENCE: South 89 degrees 32 minutes 37 seconds West, with the south line of said Donnie Jay Tamplen tract, and the north line of said Andres tract, and along and near a barbed wire fence, passing at 562.83 feet a set 1/2 inch rebar at the southwest corner of said Tamplen tract, and continuing on said course with the north line of said Andres tract, a distance of 1351.64 feet to a found 1/2 inch iron rod being the northwest corner of said Andres tract, said rod being the northeast corner of Tract One a called 10.587 acre tract of land as described in a deed to Sangani Properties, Ltd., filed 18 August 2004 and recorded in county clerks number 2004-110047 of said official public records, said rod also being South 00 degrees 51 minutes 56 seconds East, a distance of 19.14 feet from a found 1/2 inch rod;

THENCE: South 89 degrees 29 minutes 13 seconds West, with the north line of said Sangani tract, and passing at 447.50 feet a set 1/2 inch rebar by a pipe fence corner post being the northwest corner of said Sangani tract, same being the northeast corner of Tract One, a called 10.1203 acre tract of land as described in a deed to Julia Levit, filed 27 September 2010 and recorded in county clerks number 2010-95523 of said official public records and continuing on said course with the north line of said Levit Tract One, a total distance of 884.88 feet to a found 1/2 inch iron rod being the northwest corner of said Levit Tract One, same being the northeast corner of Tract Two, a called 9.7184 acre tract of land as described in of said Levit deed;

THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, a distance of 437.76 feet a set 1/2 inch rebar to a set 1/2 inch iron rebar for an inner ell corner of this tract, same being the most northerly northwest corner of said Levit Tract Two;

THENCE: South 00 degrees 19 minutes 22 seconds East, with the west line of said Levit Tract Two, a

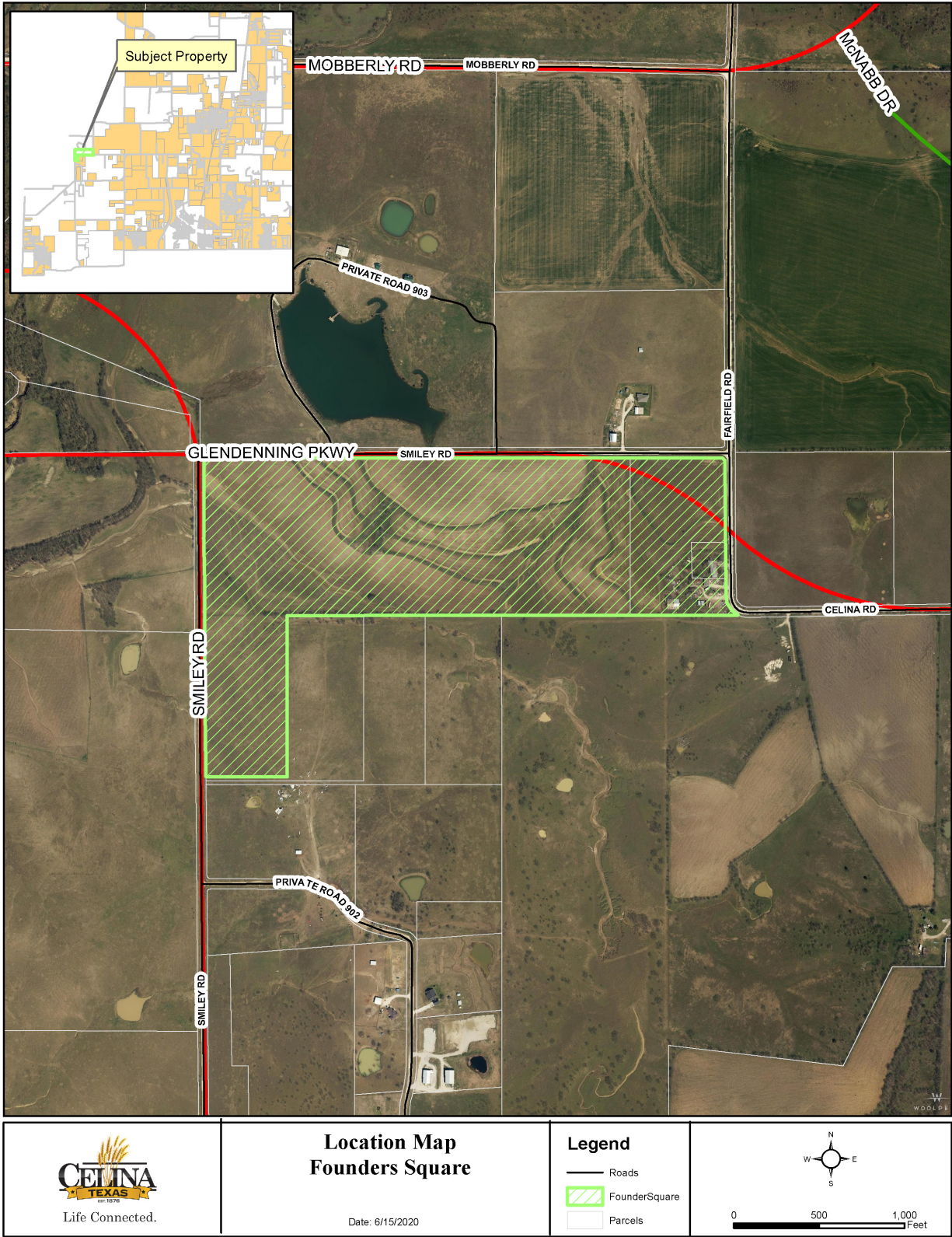
distance of 926.72 feet to a set 1/2 inch rebar for the most southerly southeast corner of this tract, same being an ell corner of said Levit Tract Two;

THENCE: South 89 degrees 29 minutes 28 seconds West, with the north line of said Levit Tract Two, and passing at 408.09 feet a set 1/2 inch rebar on the east side of said Smiley Road, and continuing on said course, a total distance of 438.09 feet to set 1/2 inch rebar in said road for the southwest corner of this tract, same being the most westerly northwest corner of said Levit Tract Two, and said rebar being on the east line of a called 333.47 acre tract of land as described in a deed to Shiney Hiney Partners II, filed 27 January 1993 and recorded in volume 3435 page 483 of the Real Property Records of said Denton County;

THENCE: North 00 degrees 17 minutes 20 seconds West, with the east line of said Shiney tract and with said Smiley Road, a distance of 1903.33 feet to a set 1/2 inch rebar for the northwest corner of this tract, said rebar being in the north line of said Cowen Survey, and said rebar being on the east line of a called 10.0407 acre tract as described in a deed to David Keith Bennett, filed 17 June 2014 and recorded in clerk's document number 2014-57137 of the official public records, said rebar also being South 00 degrees 39 minutes 06 seconds East, a distance of 15.82 feet from a found iron rod with a plastic cap;

THENCE: North 89 degrees 53 minutes 39 seconds East, with the north line of said Cowen Survey and with said Smiley Road, and passing at 1720.70 feet a found 1/2 inch steel square tubing being the southwest corner of said Raymond tract, and continuing on said course with the south line of said Raymond tract, passing at 2542.42 feet a set 1/2 inch rebar at the northeast corner of said , same being the northwest corner of said 12.360 acre tract, and continuing on said course with the south line of said Raymond tract a total distance of 3104.77 feet to the POINT OF BEGINNING and containing 78.24 acres of land.

Exhibit B
Property Exhibit



Attachment: Draft Ordinance (Founder's Square Zoning)



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 8, 2020
Re: Bellevue (Mancuso) Annexation

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance on the voluntary annexation of approximately 44 acres within the Extraterritorial Jurisdiction, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Annexation) (Mohan)

Applicant:

Frank G. Abbott Jr.
Kimley-Horn
6160 Warren Parkway Suite 210
Frisco, TX 75034

Background Information:

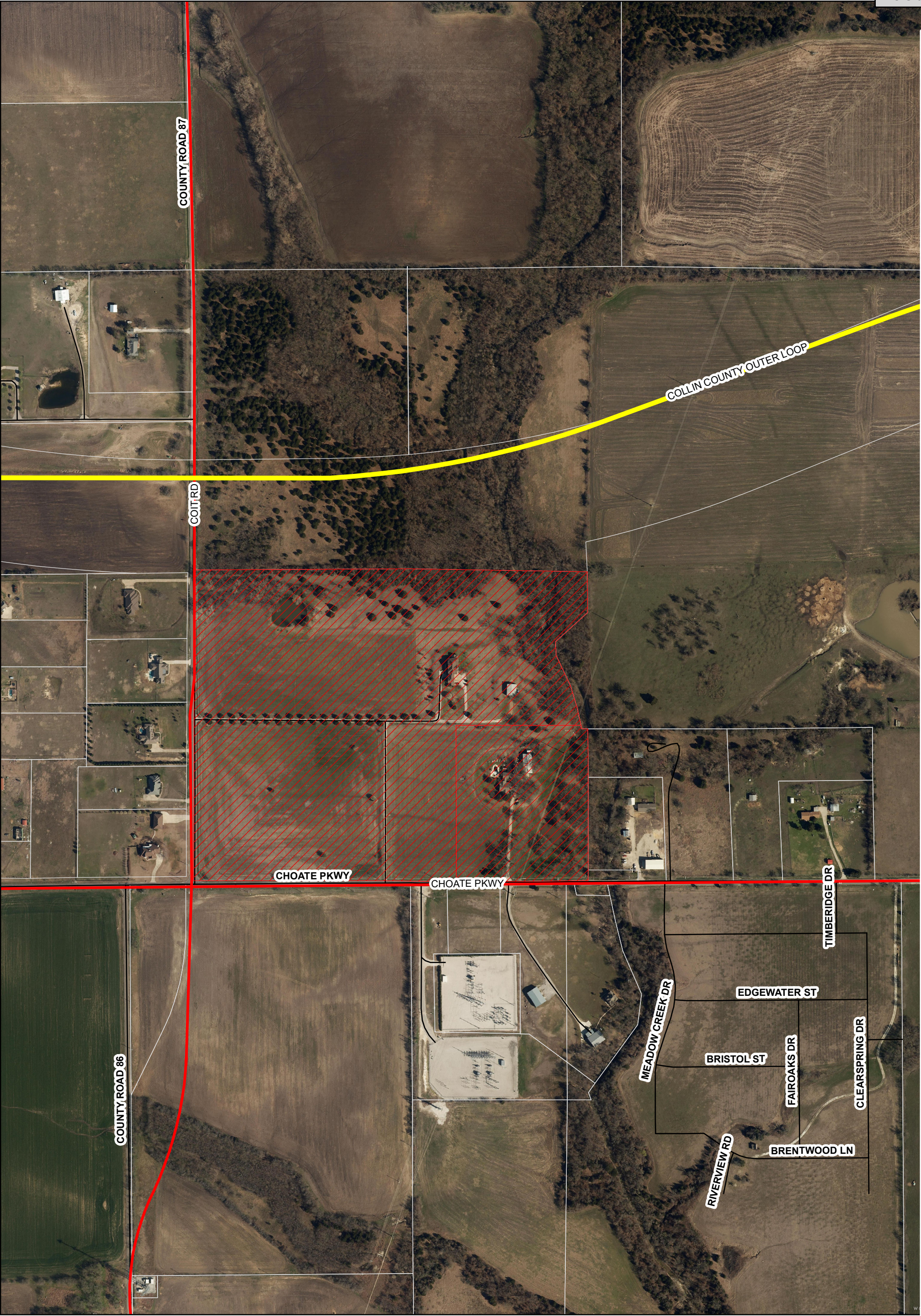
Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Staff Presentation
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



Attachment: Location Map (Bellevue (Mancuso) Annexation)

Celina
TEXAS
EST. 1876

Life Connected.

Bellevue Partners Location Map

Date: 7/29/2020

Legend

- SubjectProperty
- Roads
- Parcels

N
W E
S

0 385 770 Feet

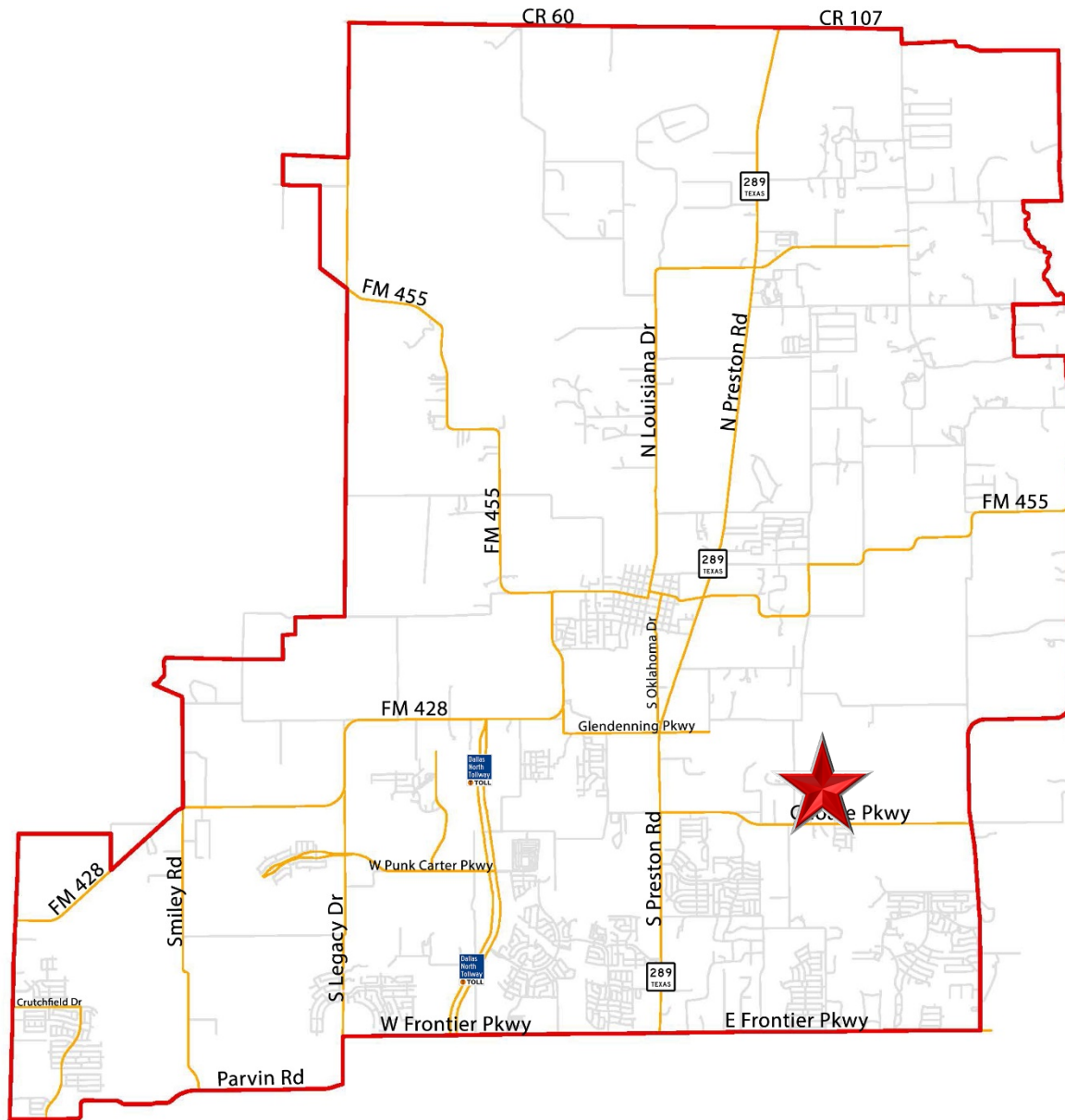
Packet Pg. 797

Bellevue Partners (Mancuso)

Annexation & Planned Development

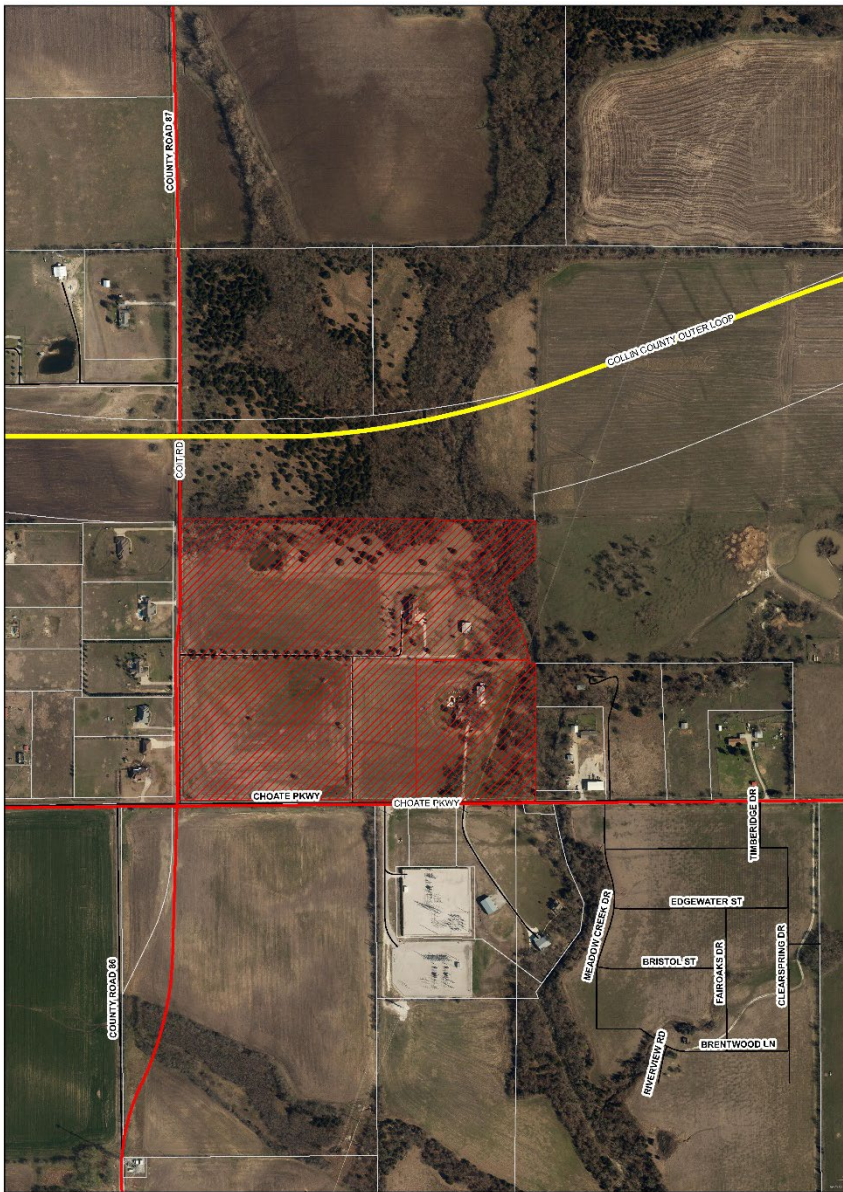
City Council

September 8, 2020



Location Map

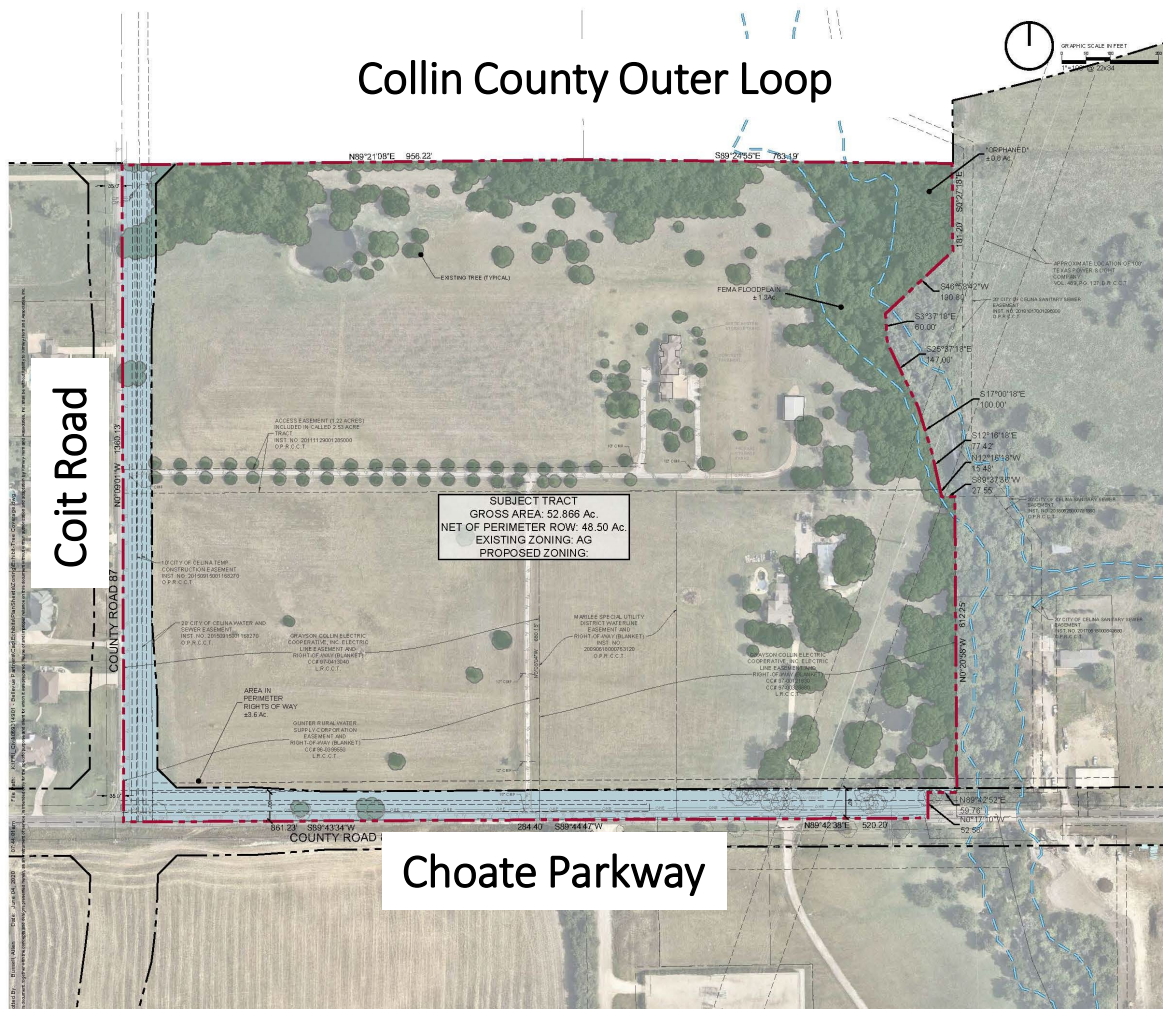
The subject property is generally at the intersection of the future Collin County Outer Loop, Coit Road, and Choate Parkway



Background

- The property is approximately 53 acres within both the Extraterritorial Jurisdiction (ETJ) and the City Limits
- The property is at a major hard corner of the future Outer Loop and Coit Road
- The Planned Development will have a base zoning of the Collin County Outer Loop Overlay (CCOLO)

Collin County Outer Loop



Project Overview

- Staff believes that the CCOLO base zoning sufficiently covers the City's needs and is appropriately market friendly
- The applicant is requesting the ability to apply for Specific Use Permits (SUPs) for a few additional land uses, such as carwash, single-family attached (townhomes), and senior living uses
- Staff has no objection to these land uses since the City retains final approval authority through the SUPs

Policy Considerations

- The PD uses the CCOLO base zoning (1st time – affirmation that it is market based)
- The PD will help market the subject property
- City standards apply

P&Z Public Hearing

- One resident asked general questions regarding the Collin County Outer Loop Overlay (CCOLO) zoning district
- Another resident inquired about how to obtain CCOLO zoning for their own property, which is across Coit Road from the subject property and borders the Collin County Outer Loop

Recommendation

- The Planning & Zoning Commission unanimously recommended approval of the zoning request at its August 18th regular meeting
- Staff recommends approval of both the Annexation and PD Zoning as presented

**CITY OF CELINA, TEXAS
ORDINANCE NO. 2020-_____
BELLEVUE PARTNERS TRACT C-3 ANNEXATION**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, ADOPTING THE ANNEXATION OF CERTAIN TERRITORY LOCATED IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF CELINA, TEXAS, TO WIT: BEING APPROXIMATELY 44 ACRES OF LAND, COLLIN COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED IN AND GRAPHICALLY DEPICTED IN EXHIBIT “A”, SUCH TRACT IS GENERALLY LOCATED AT THE NORTHEAST CORNER OF CHOATE PARKWAY AND FUTURE COIT ROAD; AND ALL ADJACENT RIGHTS-OF-WAY; PROVIDING FOR INCORPORATION OF PREMISES, AMENDING OF THE OFFICIAL CITY MAP, AND ACKNOWLEDGING A SERVICE PLAN; REQUIRING THE FILING OF THIS ORDINANCE WITH THE COUNTY CLERK; PRESCRIBING FOR EFFECT ON TERRITORY, GRANTING AS APPROPRIATE TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF THE CITY OF CELINA, TEXAS; PROVIDING CUMULATIVE REPEALER, SEVERABILITY AND SAVINGS CLAUSES; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter (the “City”); and

WHEREAS, following receipt of a request from each owner (the “Owners”) of the Property (defined below) requesting annexation, a public hearing was conducted in accordance with Section 43.0673 of the Texas Local Government Code, on the 8th day of September, 2020, in the Council Chamber located at 112 N. Colorado in the City of Celina, to consider the annexation of the property being more particularly described and depicted in Exhibit “A”, attached hereto and incorporated as if fully set forth herein (the “Property”); and

WHEREAS, any and all required written notices and offers were timely sent to all property owners and others entitled to same; and

WHEREAS, the notices of the public hearings were published in *The Celina Record*, a newspaper of general circulation within the City of Celina, Texas, 28th day of August, 2020, such date being not more than twenty (20) days nor less than ten (10) days prior to each public hearing; and

WHEREAS, all required statutory notices pursuant to Chapter 43 of the Texas Local Government Code have been accomplished, including posting on the City’s internet website; and

WHEREAS, the City Council of the City of Celina, Texas has determined that such territory is located in the extraterritorial jurisdiction of the City of Celina, Texas; and

WHEREAS, the City Council of the City of Celina, Texas has investigated into, has determined and officially finds that no part of such territory is within the extraterritorial jurisdiction of any other incorporated city or town; and

WHEREAS, to the extent that this Ordinance would cause an unincorporated area to be entirely surrounded by the City of Celina’s limits, the City Council has found - and incorporates herein its finding - that surrounding the area is in the public interest; and

WHEREAS, the Owners and the City have entered into a written agreement, with a ten (20) year

Attachment: Draft Ordinance (Bellevue (Mancuso) Annexation)

term, regarding services to be provided for the Property prior to the effective date of annexation of the Property, the substantive body of which is attached hereto as Exhibit "B", attached hereto and incorporated as if fully set forth herein.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
OFFICIAL CITY MAP AMENDED

1. The official map and boundaries of the City are hereby amended so as to include the Property and any and all adjacent rights-of-way, and that such territory shall be and is hereby annexed into the corporate limits of the City.
2. The Mayor is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory hereby annexed as required by law.

SECTION 3
ANNEXATION OF AREA

The Property, and any and all adjacent rights-of-way, is hereby annexed into the City, and that the boundary limits of the City be and the same are hereby extended to include the Property and any and all adjacent rights-of-way within the city limits of the City, and the same shall hereafter be included within the territorial limits of the City, and the inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the City and they shall be bound by the acts, ordinances, resolutions, and regulations of the City.

SECTION 4
FILING OF ORDINANCE REQUIRED

The City Secretary shall file or cause to be filed a certified copy of this Ordinance in the office of the County Clerk of each county in which all or a portion of the Property and any and all adjacent rights-of-way is located, and any other necessary agencies, including the United States Department of Justice.

SECTION 5
EFFECT ON TERRITORY

From and after the passage of this Ordinance, the Property and any and all adjacent rights-of-way shall be a part of the City of Celina, Texas, and subject to the service agreement referenced in the above Premises incorporated by Section 1 of this Ordinance. The inhabitants thereof shall be entitled to all of the rights, privileges and immunities as all other citizens of the City of Celina, Texas, and shall be bound by all of the Ordinances and regulations enacted pursuant to and in conformity with the general laws of the State of Texas.

SECTION 6
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take

effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 7
SEVERABILITY

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect. The City Council hereby declares that if there is an error in any call or description in Exhibit "A" preventing any portion of the Property and any and all adjacent rights-of-way from being annexed, the City Council would have annexed all remaining area having correct calls or descriptions and or would have corrected the call or description to include the entire intended area in this annexation.

SECTION 8
ENGROSSMENT AND ENROLLMENT

The City Secretary of the City of Celina is hereby directed to engross and enroll this Ordinance by copying the Caption in the minutes of the City Council of the City of Celina and by filing this Ordinance in the Ordinance records of the City.

SECTION 9
EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after its date of passage.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, on this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

APPROVED AS TO FORM:

Vicki Tarrant, City Secretary
City of Celina, Texas

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Bellevue (Mancuso) Annexation)

Exhibit "A"
Property Legal Description and Depiction
Including and any and all adjacent rights-of-way

Legal Description

BEING a tract of land situated in the Levin Routh Survey, Abstract No. 779, Collin County, Texas and being all of those tracts of land described in an Executor's Deed to Thomas Mancuso, recorded in Instrument No. 20111129001285000 of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the northwest corner of said Thomas Mancuso tract, same being the northeast corner of a 35-foot wide right of way dedication for County Road 87 as created in Summerview Country Estates, an addition to Collin County, according to the final plat, recorded in Cabinet M, Page 420 of the Map Records of Collin County, Texas, same also being in County Road 87, an apparent public use right of way, no other record found, from said corner, a found PK nail for the southwest corner of a called 28.731-acre tract described in a Special Warranty Deed to Celina Stone, LLC, recorded in Instrument No. 20160916001237420 of the Official Public Records of Collin County, Texas, bears North 57°42' West, 0.66 feet;

THENCE North 89°21'08" East, departing said County Road 87 and along the northerly of said Thomas Mancuso tract, a distance of 956.22 feet to a 1/2-inch iron rod found for the southeast corner of said 28.731-acre tract and the westerly, southwest corner of a called 317.729-acre tract of land described in a Special Warranty Deed to Belknap FP, Ltd., recorded in Volume 4288, Page 156 of the Land Records of Collin County, Texas;

THENCE South 89°24'55" East, continuing along the northerly line of said Thomas Mancuso tract and along a southerly line of said 317.729-acre tract, a distance of 763.19 feet to a 5/8-inch iron rod found for the northeast corner of said Thomas Mancuso tract;

THENCE in a southerly direction, along an easterly line of said Thomas Mancuso tract and the westerly line of said 317.729-acre tract, the following:

South 00°27'18" East, a distance of 181.20 feet to a point for corner;

South 46°58'42" West, a distance of 190.80 feet to a point for corner;

South 3°37'18" East, a distance of 60.00 feet to a point for corner;

South 25°37'18" East, a distance of 147.00 feet to a point for corner;

South 17°00'18" East, a distance of 100.00 feet to a point for corner;

South 12°16'18" East, a distance of 77.42 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the easterly, southeast corner of said Thomas Mancuso tract, same being on the northerly line of a called 9.00-acre tract of land described in a Warranty Deed with Vendor's Lien to Cynthia S. Ewing, recorded in Instrument No. 20130516000671430 of the Official Public Records of Collin County, Texas;

THENCE South 89°44'15" West, along a southerly line of said Thomas Mancuso tract and the northerly line of said 9.00-acre tract, passing at a distance of 480.21 feet, a found 1/2-inch iron rod, continuing for a total distance of 546.30 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for the northwest corner of said 9.00-acre tract;

THENCE South 00°05'55" East, along an easterly line of said Thomas Mancuso tract and the westerly line of said 9.00-acre tract, a distance of 680.19 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for the southerly, southeast corner of said Thomas

Mancuso tract and the southwest corner of said 9.00-acre tract, same being in County Road 88, an apparent public use right of way, no record found;

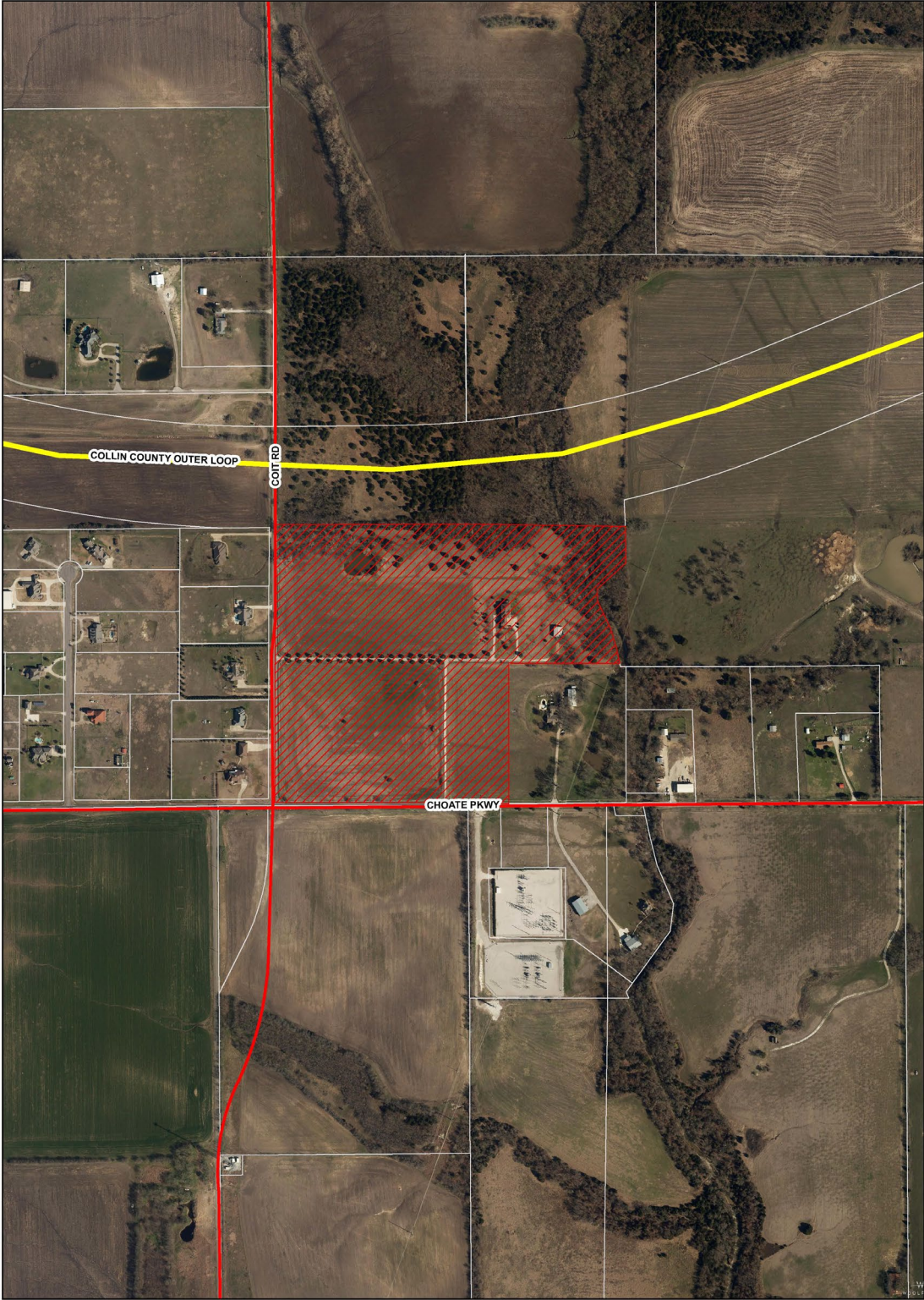
THENCE South 89°44'47" West, along the southerly line of said Thomas Mancuso tract and said County Road 88, a distance of 284.40 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for a corner;

THENCE South 89°43'34" West, continuing along the southerly line of said Thomas Mancuso tract and said County Road 88, a distance of 861.23 feet to the southwest corner of said Thomas Mancuso tract and the southeast corner of aforesaid Summerview Country Estates, same also being the intersection of said County Road 88 with aforesaid County Road 87, from said corner, a found PK nail bears North 22°54' East, 6.23 feet;

THENCE North 00°09'01" West, along the westerly of said Thomas Mancuso tract, the easterly line of said Summerview Country Estates, and along said County Road 87, a distance of 1360.13 feet to the **POINT OF BEGINNING** and containing 43.916 acres (1,912,987 square feet) of land, more or less.

Michael B. Marx
Registered Professional Land Surveyor No. 5181
Kimley-Horn and Associates, Inc.
6160 Warren Pkwy., Suite 210
Frisco, Texas 75034
Ph. 972-335-3580
michael.marx@kimley-horn.com





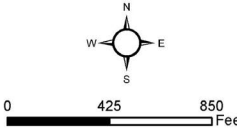
	Bellevue Partners Location Map Date: 8/25/2020	Legend  Subject Property  Roads  Parcels	
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Exhibit “B”
Substance from body of executed Service Agreement for C-3 Annexed Property

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
 - b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient fire protection, including personnel and

- equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
- d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.
- 3) Emergency Medical Services
- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
 - b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
 - c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
 - d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.
- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the

inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.

- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.
- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.



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 8, 2020
Re: Bellevue (Mancuso) Planned Development

Action Requested:

The Celina City Council will conduct a public hearing to consider and act upon an ordinance amending the Comprehensive Zoning Ordinance, by zoning an approximately 53 acre tract of land to Planned Development (PD) with Collin County Outer Loop Overlay District (CCOLO) base zoning, generally located at the northeast corner of Choate Parkway and future Coit Road. (Bellevue Planned Development) (Mohan)

Applicant:

Frank G. Abbott Jr.
Kimley-Horn
6160 Warren Parkway Suite 210
Frisco, TX 75034

Background Information:

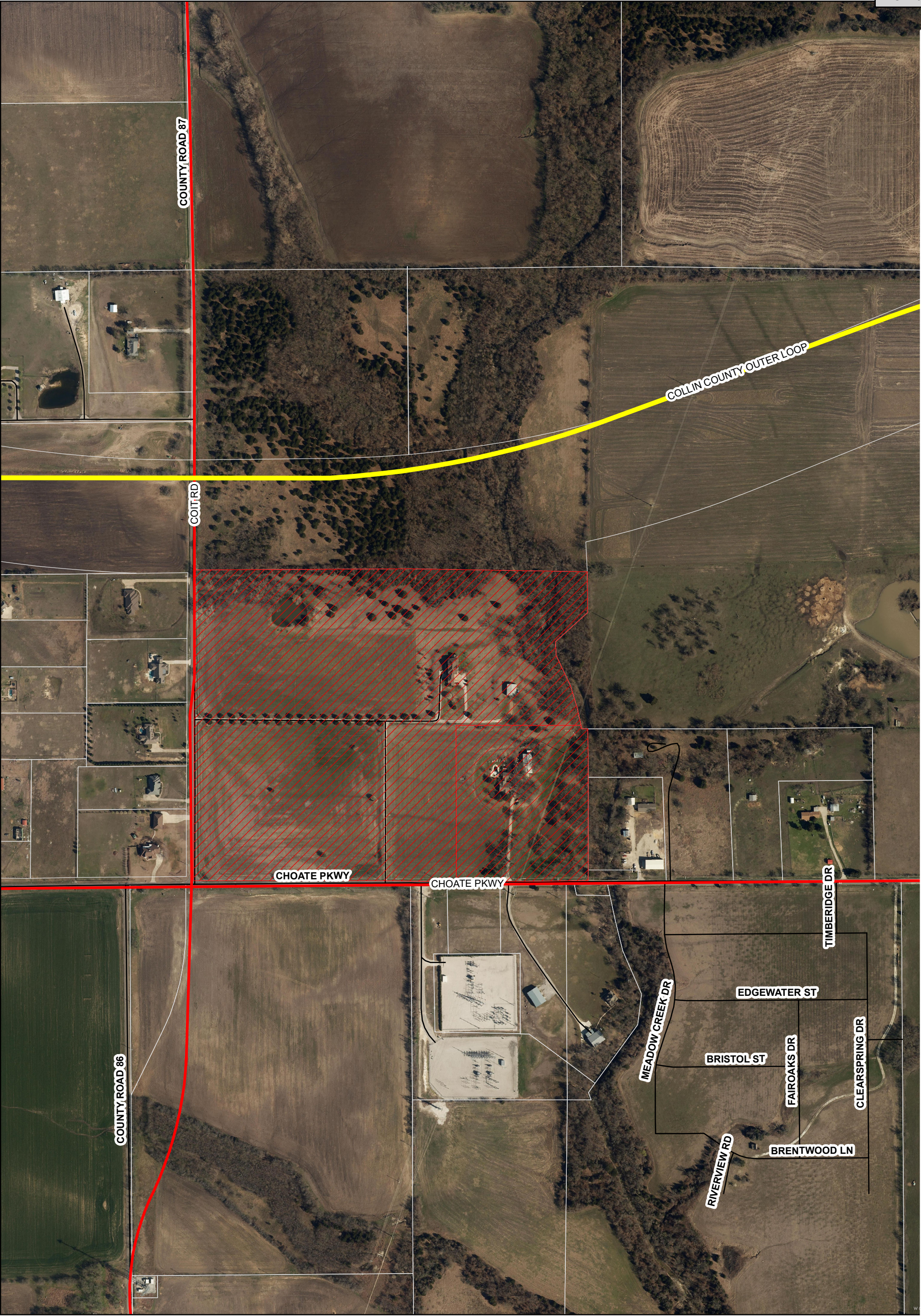
Refer to the attached documents for further information.

Supporting Document:

- Location Map
- Draft Ordinance

Staff Recommendation:

Staff recommends approval as presented.



Attachment: Location Map (Bellevue (Mancuso) Planned Development)

Celina
TEXAS
EST. 1876

Life Connected.

Bellevue Partners Location Map

Date: 7/29/2020

Legend

- Subject Property
- Roads
- Parcels

0 385 770 Feet

Packet Pg. 819

CITY OF CELINA, TEXAS
ORDINANCE 2020-_____
BELLEVUE PARTNERS (MANCUSO)
PLANNED DEVELOPMENT #113

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 53 ACRE TRACT OF LAND LOCATED IN THE LEVIN ROUTH SURVEY, ABSTRACT NO. 779, CITY OF CELINA, COLLIN COUNTY, TEXAS, AND GENERALLY LOCATED AT THE NORTHEAST CORNER OF CHOATE PARKWAY AND FUTURE COIT ROAD; AS DESCRIBED IN EXHIBIT “A” AND INCORPORATED HEREIN TO BE ZONED “PD” PLANNED DEVELOPMENT DISTRICT NO. 113; PROVIDING FOR INCORPORATION OF PREMISES, FINDINGS, AMENDMENT OF ZONING CLASSIFICATION, ZONING DESIGNATION AND DEVELOPMENT REGULATIONS, REVISION OF ZONING MAP, COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 PER OFFENSE AND OTHER ENFORCEMENT MECHANISMS; PROVIDING CUMULATIVE REPEALER, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas (the “City Council”) is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Section 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” and depicted in Exhibit “B”, attached hereto and incorporated as though fully set forth herein (the “Property”); and

WHEREAS, the Concept Plan and Development Regulations, set forth in Exhibit “C” and “D”, respectively, attached hereto and incorporated herein, define the base zoning districts and provide for certain modifications to such district regulations.

WHEREAS, the City Council has considered, among other things, the character of the property and its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a

full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

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

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT OF ZONING CLASSIFICATION**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City's Comprehensive Zoning Ordinance, is hereby amended to establish the zoning classification for the Property as "PD" Planned Development District No. 113 and is subject to the following PD regulations, which exhibits are incorporated as if fully set forth herein:

- | | |
|------------|-------------------------|
| Exhibit B: | Depiction of Property |
| Exhibit C: | Zoning Exhibit |
| Exhibit D: | Development Regulations |

SECTION 4 **ZONING DESIGNATION AND DEVELOPMENT REGULATIONS**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City's Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, described in Exhibit "A" and depicted in Exhibit "B" attached hereto and incorporated herein as PD No. 113, and incorporates the Concept Plan attached hereto as Exhibit "C" and the Development Regulations attached hereto as Exhibit "D."

SECTION 5 **REVISION OF ZONING MAP**

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6 **COMPLIANCE REQUIRED**

That the property described on Exhibit "A" and depicted in Exhibit "B" hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended.

SECTION 7 **PENALTY**

City of Celina, Ordinance No. 2020-_____ Bellevue Partners (Mancuso)

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13 **EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas

Attachment: Draft Ordinance (Bellevue (Mancuso) Planned Development)

Exhibit A Legal Description

BEING a tract of land situated in the Levin Routh Survey, Abstract No. 779, Collin County, Texas and being all of a called 43.916 acre tract of land described in a Special Warranty Deed to Bellevue Partners, LTD, recorded in Instrument No. 20191024001339900 of the Official Public Records of Collin County, Texas and all of a called 9.000 acre tract of land described in a General Warranty Deed to Rachael A. Hill, A Married Person, and being more particularly described by metes and bounds as follows:

BEGINNING at the northwest corner of said Thomas Mancuso tract, same being the northeast corner of a 35-foot wide right of way dedication for County Road 87 as created in Summerview Country Estates, an addition to Collin County, according to the final plat, recorded in Cabinet M, Page 420 of the Map Records of Collin County, Texas, same also being in County Road 87, an apparent public use right of way, no other record found, from said corner, a found PK nail for the southwest corner of a called 28.731-acre tract described in a Special Warranty Deed to Celina Stone, LLC, recorded in Instrument No. 20160916001237420 of the Official Public Records of Collin County, Texas, bears North 57°42' West, 0.66 feet;

THENCE North 89°21'08" East, departing said County Road 87 and along the northerly of said Bellevue Partners tract, a distance of 956.22 feet to a 1/2-inch iron rod found for the southeast corner of said 28.731-acre tract and the westerly, southwest corner of a called 317.729-acre tract of land described in a Special Warranty Deed to Belknap FP, Ltd., recorded in Volume 4288, Page 156 of the Land Records of Collin County, Texas;

THENCE South 89°24'55" East, continuing along the northerly line of said Bellevue Partners tract and along a southerly line of said 317.729-acre tract, a distance of 763.19 feet to a 5/8-inch iron rod found for the northeast corner of said Thomas Mancuso tract;

THENCE in a southerly direction, along an easterly line of said Bellevue Partners tract and the westerly line of said 317.729-acre tract, the following:

South 00°27'18" East, a distance of 181.20 feet to a point for corner;

South 46°58'42" West, a distance of 190.80 feet to a point for corner;

South 03°37'18" East, a distance of 60.00 feet to a point for corner;

South 25°37'18" East, a distance of 147.00 feet to a point for corner;

South 17°00'18" East, a distance of 100.00 feet to a point for corner;

South 12°16'18" East, a distance of 92.90 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the southwest corner of said 317.729-acre tract;

THENCE North 89°37'36" East, along a northerly line of said 9.000-acre tract and the southerly line of said 317.729-acre tract, a distance of 27.55 feet to the easterly, northeast corner of said 9.000-acre tract, same being on the westerly line of a called 6.00-acre tract of land described in a deed to Manus Chaiprasert and wife, Suwanna Chaiprasert, recorded in Instrument No. 20080606000688720 of the Official Public Records of Collin County, Texas;

THENCE South 00°20'58" East, along the easterly line of said 9.000-acre tract, the westerly line of said 6.00-acre tract and the westerly line of a called 3.22-acre tract of land described in a Warranty Deed with Vendor's Lien to Living Stone Investments, recorded in Instrument No.

20191203001532800 of the Official Public Records of Collin County, Texas, a distance of 612.25 feet to a 5/8-inch iron rod with a plastic cap, stamped "SPARR SURV" found for the easterly, southeast corner of said 9.000-acre tract, same being on the northerly line of a called 0.172-acre tract of land described in a deed to County of Collin, recorded in Volume 2489, Page 144 of the Land Records of Collin County, Texas;

THENCE South 89°42'52" West, along the southerly line of said 9.000-acre tract and the northerly line of said 0.172-acre tract, a distance of 59.76 feet to the northwest corner of said 0.172-acre tract;

THENCE South 00°17'10" East, continuing along the southerly line of said 9.000-acre tract and the westerly line of said 0.172-acre tract, a distance of 52.58 feet to the southwest corner of said 0.172-acre tract, same being in aforesaid County Road 88;

THENCE South 89°42'39" West, continuing along the southerly line of said 9.000-acre tract and along said County Road 88, a distance of 520.21 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for the southerly, southeast corner of said Bellevue Partners tract and the southwest corner of said 9.00-acre tract;

THENCE South 89°44'47" West, along the southerly line of said Bellevue Partners tract and said County Road 88, a distance of 284.40 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "RPLS 4857" found for a corner;

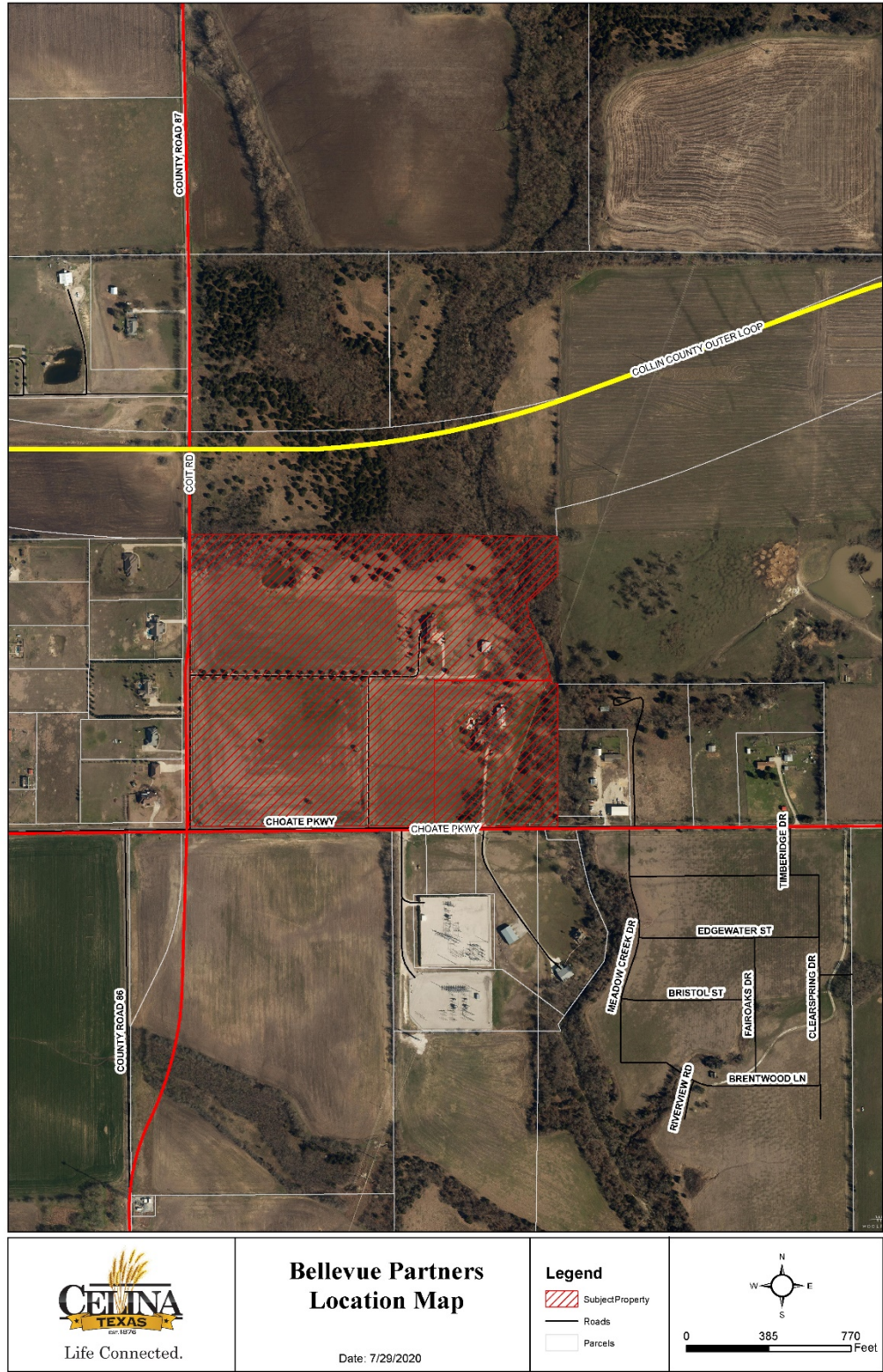
THENCE South 89°43'34" West, continuing along the southerly line of said Bellevue Partners tract and said County Road 88, a distance of 861.23 feet to the southwest corner of said Bellevue Partners tract and the southeast corner of aforesaid Summerview Country Estates, same also being the intersection of said County Road 88 with aforesaid County Road 87, from said corner, a found PK nail bears North 22°54' East, 6.23 feet;

THENCE North 00°09'01" West, along the westerly of said Bellevue Partners tract, the easterly line of said Summerview Country Estates, and along said County Road 87, a distance of 1360.13 feet to the **POINT OF BEGINNING** and containing 52.866 acres (2,302,835 square feet) of land, more or less.

Michael B. Marx
Registered Professional Land Surveyor No. 5181
Kimley-Horn and Associates, Inc.
6160 Warren Pkwy., Suite 210
Frisco, Texas 75034
Ph. 972-335-3580
michael.marx@kimley-horn.com

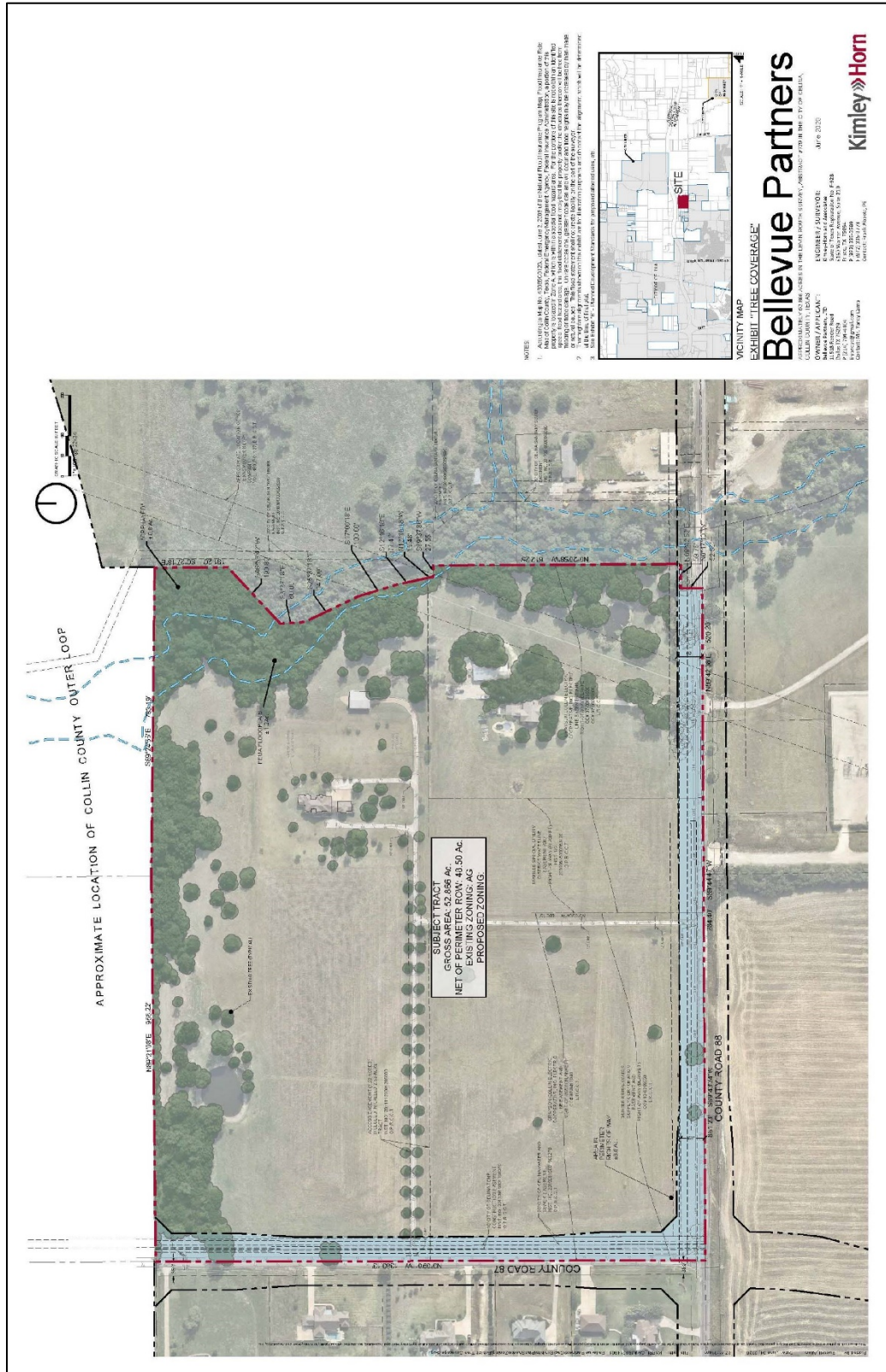


Exhibit B
Depiction of Property



Attachment: Draft Ordinance (Bellevue (Mancuso) Planned Development)

Exhibit C Zoning Exhibit



Attachment: Draft Ordinance (Bellevue (Mancuso) Planned Development)

Exhibit D Development Regulations

Development within this Planned Development (PD) District will follow the regulations outlined below and meet the intent of the Zoning Exhibit that is attached as Exhibit C and the permitted uses as noted herein. Any significant changes to the land uses set forth herein shall require approval of the City of Celina Planning & Zoning Commission, as well as the City of Celina City Council as outlined in Sec. 14.01.303.

These Planned Development standards are established to provide areas for mixed-use development, encourage and promote well-planned, compact and viable retail/commercial development, large scale office, or high-density multi-family.

All development within Tract (see Exhibit C) shall meet the standards of the CCO, Collin County Outer Loop zoning district as established in the City of Celina Zoning Ordinance, with the exceptions noted herein.

These planned development regulations will hold precedence over any conflicting regulations created by the Collin County Overlay District and/or the Zoning Ordinances, etc.

- (a) **Permitted Uses.** The following uses are allowed by right or by the approval of a Specific Use Permit (SUP) as noted herein. Other uses are allowed per the Schedule of Uses for the Collin County Outer Loop Overlay District as outlined in the City's Zoning Ordinance:

Schedule of Permitted Uses ¹	
<i>Land Use</i>	
Assisted Living	S
Auto Laundry or Carwash	S
Dwelling, Senior Living, all types	S
Gas Pumps/Fuel Sales, incl. convenience stores, gas stations, etc. ²	P
Greenhouse or Nursery, Retail	P
Hardware Stores/Home Garden Center	P
Helipad	S
Hospital	P
Hotels ^{3 & 4}	P
Medical Facilities (secondary / ancillary)	P
MF-2, Multi-Family Urban Edge ⁵	P
MF-3, Multi-Family Urban Living ⁵	P
Microbrewery Sales and Consumption (onsite mfg)	P
Nursey (retail sales outdoor)	P
Research Lab (nonhazardous)	P
Restaurant, Dine-In, Drive-In, or Drive Thru	P
Single Family Attached (Townhomes or other similar products if integrated into a mixed use environment)	S
Store, Big Box	P
Store, General Retail	P

Store, Grocery	P
Store, Shopping Centers	P
Stores, Regional Mall	P

1. Other similar/complimentary uses may be approved by the City in addition to the specific uses noted herein. Other uses consistent with an urban mixed-use environment may be approved by the City with a Specific Use Permit.
2. One stand-alone fueling station is permitted by right. Any fueling stations associated with a grocery store are also permitted by right.
3. Must have a minimum height of 4 stories within 500 feet of the CCOL.
4. The Extended Stay use will require an SUP.
5. MF-2 is permitted by right for up to 450 units only (any additional units will require an SUP). Age restricted senior independent living is allowed within this multiple family use.

(b) Development Regulations

1. Residential Density:

- A) Multiple-family units (Urban Living Style), minimum forty (40) dwelling units per acre with no maximum.
- B) Multiple-family units (Urban Edge Style), maximum thirty-five (35) dwelling units per acre.
- C) Single Family Attached (Townhomes), maximum twelve (12) dwelling units per acre.

2. Heights:

- A). There is no maximum height limitation within 700 feet of the CCOL ROW.
- B) All buildings within an Urban Edge (MF 2) development shall be a minimum of two (2) stories in height and a maximum height of six (6) stories.
- C) All buildings within an Urban Living (MF 3) development shall be a minimum of four (4) stories in height.

3. Miscellaneous Requirements:

- A) No detailed concept plan is required beyond Exhibit C as provided herein.
- B) The existing residential houses will be conforming uses until redevelopment of them occurs. Any associated agricultural uses will also be allowed until redevelopment occurs.
- C) Alternative street sections are allowed in an urban mixed-use environment, subject to City approval (i.e. Director of Engineering and Director of Development Services) at the time of preliminary site plan/preliminary plat review and approvals.
- D) Multiple family buildings with enclosed garages in MF-2, when adjacent to a public street, must face the garage doors internally to the development. Garage doors may not face a public street unless otherwise approved by the City at time of approval of the preliminary site plan/site plan.
- E) Age restricted multifamily complexes can park at a ratio of 1 space per unit count, no matter what the size of an individual unit.
- F) No enclosed or structured parking is required for MF-2, Urban Edge uses.

- G) Architectural Standards- The spirit and intent of the architectural standards, as outlined in Section 14.04.101 of the Development Code (as may be amended), shall apply to the property. These standards are not intended to prohibit architectural innovation, nor are they to mandate specific architectural styles and concepts. Rather, they are intended to provide for developments of enduring quality that provide visual character and intent. The provisions of this section shall be administered by the Director of Development Services who shall have the authority to approve any façade plan that is deemed to satisfy the spirit and intent of the requirements of this section to the extent possible. Alternative façade plans deemed to meet the intent of the requirements, including any minor deviations or waivers, and to make necessary interpretations regarding any subjectivity or frustrations of purpose contained within the requirements. Alternative architectural styles and/or concepts, deviations, waivers, etc. will not be unreasonably withheld.
- H) The thoroughfare alignments show on Exhibits C is for illustration purposes only and do not set the alignment(s), which will be determined at the time of the Final Plat.



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Raha Pouladi, Senior Planner
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Wells South NIA#3- PID Levy

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance accepting and approving a final Amended and Restated Wells South Public Improvement District Service and Assessment Plan – Updated for NIA#3, including the NIA#3 assessment roll; making a finding of special benefit to property within NIA #3 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 NIA #3 assessed property in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Wells South NIA#3- PID Levy) (Pouladi)

Background Information:

The ordinance is attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Staff Presentation
- Ordinance

Staff Recommendation:

Staff recommends approval.

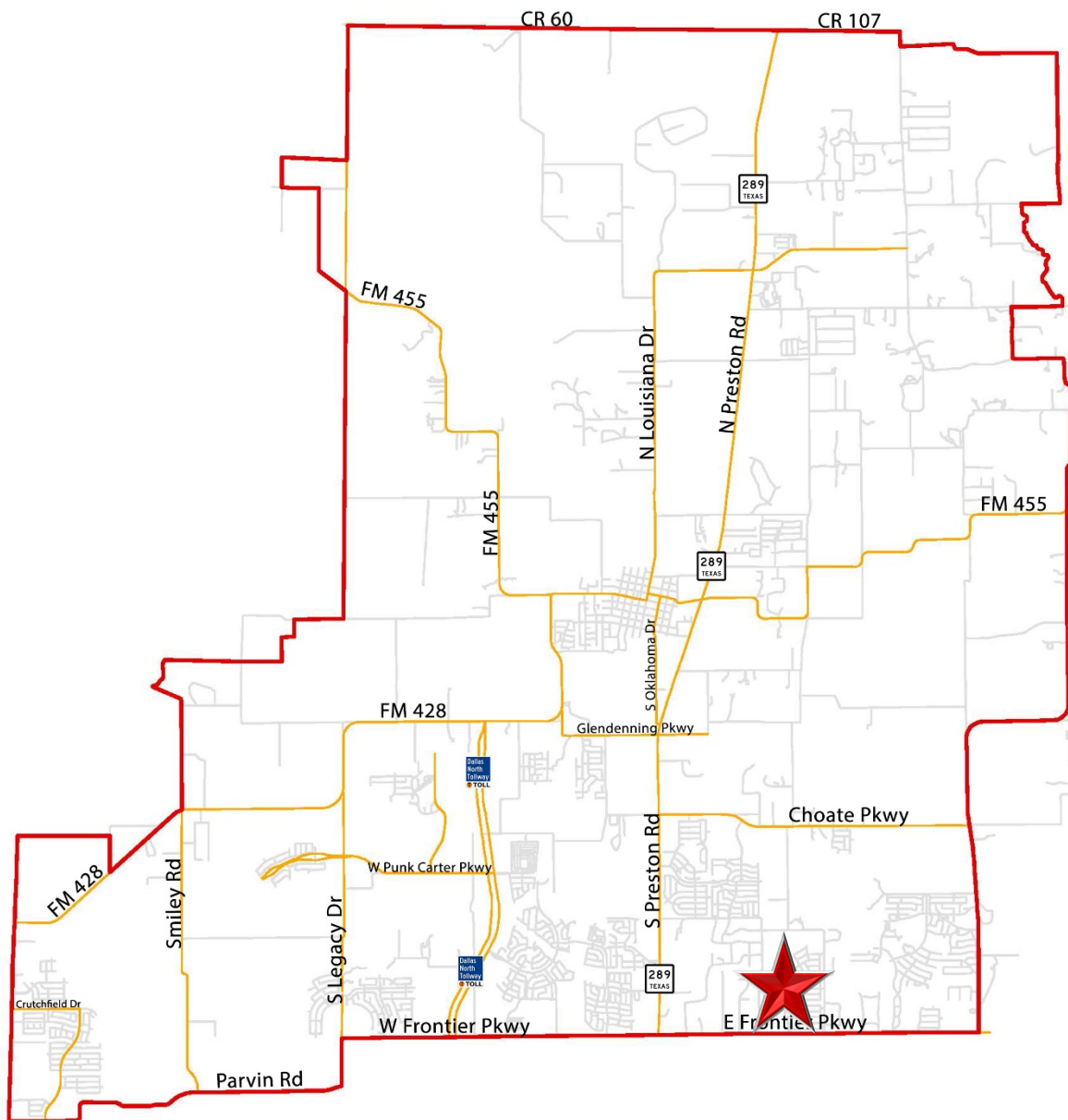
Wells South NIA #3

PID Assessment Levy - Public Hearing

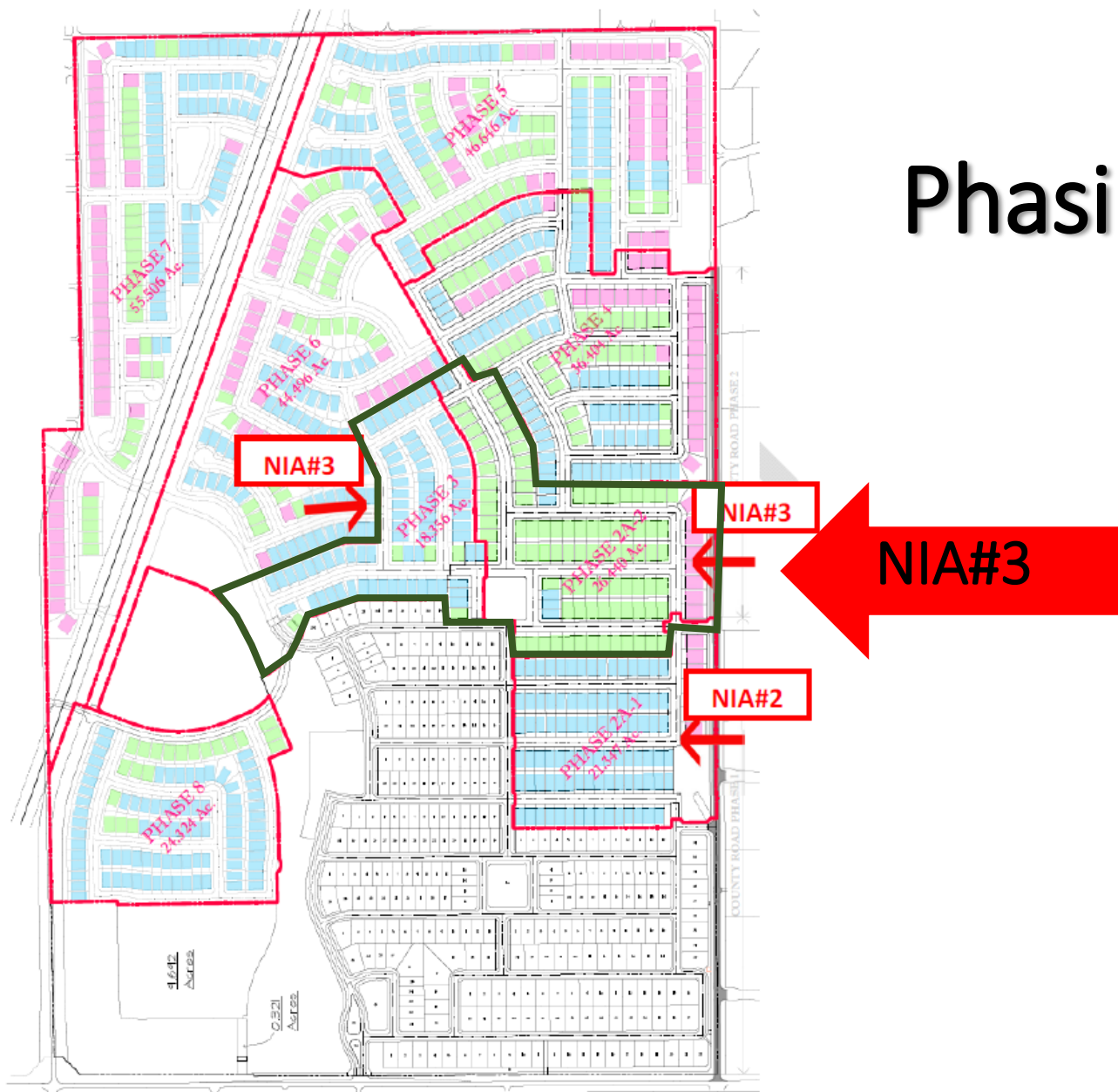
City Council

September 8, 2020

Attachment: Staff Presentation (Wells South NIA#3- PID Levy)



Phasing Exhibit



PID Overview

- 182 lots
- Estimated Improvement cost: \$4.5M
- Estimated PID assessment amount: \$3.9M

PID Assessment

Assessment per Unit	
70' Lot	\$23,297
60' Lot	\$20,708
50' Lot	\$18,120

PID Timeline

- ~~June 9, 2015 – PID Petition Acceptance~~
- ~~July 14, 2015 – PID Creation Resolution~~
- ~~August 11, 2020 – Pre-SAP Resolution~~
- September 8, 2020 – SAP/Levy Ordinance

Recommendation

- Staff recommends approval as presented

ORDINANCE NO. _____

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 #3 ASSESSMENT ROLL FOR THE WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN NEIGHBORHOOD IMPROVEMENT AREA #3 OF THE DISTRICT; RELEASING A PORTION OF THE UNCOLLECTED ASSESSMENTS PREVIOUSLY LEVIED AGAINST CERTAIN PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #2 OF THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #3 OF THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT AREA #3 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

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 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, pursuant to the PID Act, the City Council published notice of and convened a public hearing on July 10, 2018, regarding the levy of special assessments against benefitted property located within a portion of the second construction phase of the District ("Neighborhood Improvement Area #2A"), and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2018-31 (the "Neighborhood Improvement Area #2A Assessment Ordinance") on July 10, 2018; and

WHEREAS, in the Neighborhood Improvement Area #2A Assessment Ordinance, the City Council approved and accepted the Wells South Public Improvement District Service and Assessment Plan – Updated for Neighborhood Improvement Area #2, dated July 10, 2018 (the "NIA #2 SAP Update") relating to the District and levied special assessments (the "Neighborhood Improvement Area #2 Assessments") against the property within Neighborhood Improvement Area #2A, as shown on the Neighborhood Improvement Area #2 Assessment Roll that was attached to the NIA #2 SAP Update; and

WHEREAS, on August 27, 2019, the City approved an annual update to the NIA #2 SAP Update which, among other things, allocated the costs of certain improvements benefitting Neighborhood Improvement Area #2A to that portion of Neighborhood Improvement Area #2A for which a final subdivision plat had been filed with Collin County ("Neighborhood Improvement Area #2A-1"), which triggered the collection of that portion of the Neighborhood Improvement Area #2 Assessments that were levied against the lots in Neighborhood Improvement Area #2A-1; and

WHEREAS, the collection of that portion of the Neighborhood Improvement Area #2 Assessments levied against that portion of the property within Neighborhood Improvement Area #2A which excludes Neighborhood Improvement Area #2A-1 ("Neighborhood Improvement Area #2A-2") has never been triggered and the assessments previously levied against Neighborhood Improvement Area #2A-2 have never been collected; and

WHEREAS, the Developer has informed the City that its development plans for Neighborhood Improvement Area #2A-2 have changed and that the Neighborhood Improvement

Area #2 Improvements previously planned to be constructed in Neighborhood Improvement Area #2A-2 will no longer be constructed; and

WHEREAS, the City Council hereby determines it is in the best interest of the City and the owners (the “Landowners”) in Neighborhood Improvement Area #2A-2 to release that portion of the uncollected Neighborhood Improvement Area #2 Assessments previously levied against property within Neighborhood Improvement Area #2A-2; and

WHEREAS, as described in the Service and Assessment Plan (defined below) attached hereto, the City finds that the property in Neighborhood Improvement Area #2A-2 will be considered a part of the third construction phase of the District, which, together with the other property in the third construction phase of the District, as described in the Service and Assessment Plan, is hereinafter referred to as “Neighborhood Improvement Area #3” and will be subject to the Neighborhood Improvement Area #3 Assessments (defined below) levied by this Assessment Ordinance, and the property in Neighborhood Improvement Area #2A-1 will be the only property in Neighborhood Improvement Area #2A (hereinafter referred to as “Neighborhood Improvement Area #2”) and will be the only property subject to the Neighborhood Improvement Area #2 Assessment; and

WHEREAS, on August 11, 2020, 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 #3 of the District; calling for a public hearing to consider an ordinance levying assessments on property within Neighborhood Improvement Area #3 of the District (the “Neighborhood Improvement Area #3 Assessments”); authorizing and directing the City Secretary of the City to file the proposed assessment roll for Neighborhood Improvement Area #3 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 #3 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 12, 2020 the City Secretary filed the Neighborhood Improvement Area #3 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 21, 2020 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 #3 Assessments; and

WHEREAS, the City Council opened the Levy and Assessment Hearing on September 8, 2020, 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 #3 Assessment Roll, and the proposed Neighborhood Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Neighborhood Improvement Area #3 Assessments, the allocation of the Actual Costs of the Authorized Improvements to be undertaken for the benefit of the Neighborhood Improvement Area #3 Assessed Property (as defined in the Service and Assessment Plan) (the "Neighborhood Improvement Area #3 Improvements"), the purposes of the Neighborhood Improvement Area #3 Assessments, the special benefits of the Neighborhood Improvement Area #3 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Neighborhood Improvement Area #3 Assessments; and

WHEREAS, the City Council finds and determines that the Neighborhood Improvement Area #3 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, and Neighborhood Improvement Area #3 on September 8, 2020, 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 #3 Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Appendix F (the "Neighborhood Improvement Area #3 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 #3 Improvements (as described in the Service and Assessment Plan), the Neighborhood Improvement Area #3 Assessment Roll, or the levy of the Neighborhood Improvement Area #3 Assessments against the Neighborhood Improvement Area #3 Assessed Property; and

WHEREAS, the Landowners, or their representatives, of the majority of the privately-owned and taxable property located within Neighborhood Improvement Area #3 of the District, who are the persons to be assessed pursuant to this Ordinance, have previously indicated their approval and acceptance of the Service and Assessment Plan, approval of the Neighborhood Improvement Area #3 Assessment Roll, approval of this Ordinance, approval of the release of the Neighborhood Improvement Area #2 Assessments that was previously levied against property within Neighborhood Improvement Area #2A-2, and approval of the levy of the Neighborhood Improvement Area #3 Assessments against their property located within Neighborhood Improvement Area #3 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.

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 #3 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 #3 Assessed Property will receive from the construction of the Neighborhood Improvement Area #3 Improvements identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Neighborhood Improvement Area #3 Improvements 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 #3 Improvements to be assessed against the Neighborhood Improvement Area #3 Assessed Property as Neighborhood Improvement Area #3 Assessments and such apportionment is made on the basis of special benefits accruing to the property because of the Neighborhood Improvement Area #3 Improvements;

(d) All of the real property in Neighborhood Improvement Area #3 of the District which is being assessed in the amounts shown in the Neighborhood Improvement Area #3 Assessment Roll will be benefited by the Neighborhood Improvement Area #3 Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Neighborhood Improvement Area #3 Assessed Property will receive special benefits in each year equal to or greater than each annual Neighborhood Improvement Area #3 Assessment against such property and will receive special benefits during the term of the Neighborhood Improvement Area #3 Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Neighborhood Improvement Area #3 Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Neighborhood Improvement Area #3 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 #3 Assessment Roll should be approved as the Neighborhood Improvement Area #3 Assessment Roll for the Neighborhood Improvement Area #3 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 #3 Assessments, interest on Annual Installments, interest and penalties on delinquent Neighborhood Improvement Area #3 Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Neighborhood Improvement Area #3 Assessments should be approved and will expedite collection of the Neighborhood Improvement Area #3 Assessments in a timely manner in order to provide the services and improvements needed and required for Neighborhood Improvement Area #3 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. Release of the Neighborhood Improvement Area #2 Assessment Previously Levied Against Neighborhood Improvement Area #2A-2.

In accordance with updated development plans of the Developer and based on representations of the Administrator for the District, the City Council, in accordance with Section 372.020(2) of the PID Act, hereby determines that the portion of the Neighborhood Improvement Area #2 Assessments previously levied against property within Neighborhood Improvement Area #2A-2 is excessive and should be released in order to permit a new assessment to be levied against those parcels of land. The City Council does hereby release that portion of the Neighborhood Improvement Area #2 Assessment that was previously levied against property within Neighborhood Improvement Area #2A-2. The City Council hereby authorizes the City Manager, Assistant City Manager, and City Secretary to file any document or take any other step required to release that portion of the Neighborhood Improvement Area #2 Assessment previously levied against property within Neighborhood Improvement Area #2A-2.

Section 5. Neighborhood Improvement Area #3 Assessment Roll.

The Neighborhood Improvement Area #3 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Neighborhood Improvement Area #3 Assessment Roll of the District.

Section 6. Levy and Payment of Neighborhood Improvement Area #3 Assessments for Actual Costs of the Neighborhood Improvement Area #3 Improvements.

(a) The City Council hereby levies an assessment on each parcel of Neighborhood Improvement Area #3 Assessed Property (excluding any Non-Benefitted Property, as defined in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Neighborhood Improvement Area #3 Assessment Roll, in the respective amounts shown on the Neighborhood Improvement Area #3 Assessment Roll, as a special assessment on the properties set forth in the Neighborhood Improvement Area #3 Assessment Roll.

(b) The levy of the Neighborhood Improvement Area #3 Assessments shall be effective on the date of execution of this Ordinance levying Neighborhood Improvement Area #3 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 #3 Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Neighborhood Improvement Area #3 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 #3 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 #3 Assessed Property shall be calculated and collected pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment.

The method of apportioning the Actual Costs of the Neighborhood Improvement Area #3 Improvements and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Neighborhood Improvement Area #3 Assessments.

Delinquent Neighborhood Improvement Area #3 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 9. Prepayments of Neighborhood Improvement Area #3 Assessments.

As provided in Section VI of the Service and Assessment Plan, the owner of any Neighborhood Improvement Area #3 Assessed Property subject to a Neighborhood Improvement Area #3 Assessment may prepay the Neighborhood Improvement Area #3 Assessments levied by this Ordinance.

Section 10. 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 #3 Assessed Property, including without limitation such Landowners' obligations related to payment of the Neighborhood Improvement Area #3 Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Neighborhood Improvement Area #3 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 #3 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 #3 Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 11. 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 #3 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 #3 Assessments (the "Collector").

Section 12. 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 #3 Assessments by the City.

Section 13. Filing in Land Records. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and/or the Neighborhood Improvement Area #3 Assessment Roll, to be recorded in the real property records of Collin

County. 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.

Section 14. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Assessment 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 15. Effective Date.

This Assessment Ordinance shall take effect, and the levy of the Neighborhood Improvement Area #3 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: Ordinance (Wells South NIA#3- PID Levy)

PASSED AND ADOPTED, this the 8th day of September, 2020.

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 _____, 2020 by Sean Terry and Vicki Tarrant, Mayor and Secretary, respectively, of the City of Celina, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Attachment: Ordinance (Wells South NIA#3- PID Levy)

EXHIBIT A

Service and Assessment Plan

Attachment: Ordinance (Wells South NIA#3- PID Levy)

WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

December 7, 2015

As updated for Neighborhood Improvement Area #2 on
July 10, 2018 and Neighborhood Improvement Area #3 on
September 8, 2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

Attachment: Ordinance (Wells South NIA#3- PID Levy)

WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

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APPENDIX D - NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL		
APPENDIX E - NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL		
APPENDIX F - NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL		

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

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 this amended and restated Service and Assessment Plan (the Amended and Restated Service and Assessment Plan”), 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. _____ approving this Wells South Public Improvement District 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.

NOW THEREFORE, the Original SAP, s updated by the Updated SAP and the 2019 SAP Update is amended and restated as follows:

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Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 “cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements.” The PID Act also requires a service plan “be reviewed and updated 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 Assessment Rolls for the PID are attached hereto as Appendix C, Appendix D, Appendix E, and Appendix F 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 and Neighborhood Improvement Area #3.

“**Additional Interest Reserve**” has the meaning set forth in Section IV.O of this SAP.

“**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, 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 C, Appendix D, Appendix E, or Appendix F, 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, and (iv) 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.

“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 C, Appendix D, Appendix E, or Appendix F (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 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, and the Neighborhood Improvement Area #3 Assessment Roll, included in this SAP as Appendix C, Appendix D, Appendix E, and Appendix F, 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.

“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 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.

“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.

“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 C, 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 D, 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.

“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 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 #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 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 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 F, 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.

“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.

“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, 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, 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.

“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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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: Ordinance (Wells South NIA#3- PID Levy)

B. PROPERTY LOCATED IN THE MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2, AND NEIGHBORHOOD IMPROVEMENT AREA #3

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.

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 and Neighborhood Improvement Area #3 lie within the Major Improvement Area.

A map of the property within the PID, Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, and Neighborhood Improvement Area #3 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.

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Table II-B
Public Improvement District Boundaries



Attachment: Ordinance (Wells South NIA#3- PID Levy)

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).

A map of the projected property within each Future Neighborhood Improvement Area 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: Ordinance (Wells South NIA#3- PID Levy)

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

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 convey 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.

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.

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 convey 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

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 will be 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.

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 will be 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 will be constructed according to City standards.

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 will be 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	\$1,742,063
Storm Drainage Improvements	\$84,770
Soft Costs	\$699,923
Total Authorized Improvements	\$3,935,759

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. 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-E 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.)

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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.

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, and the Neighborhood Improvement Area #3 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, and the Neighborhood Improvement Area #3 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, and the Neighborhood Improvement Areas #2-3 Bonds have been levied and will not change.

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.

When the City Council approved the initial 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 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 #2, 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. 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, and the Neighborhood Improvement Area #3 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, and the Neighborhood Improvement Area #3 Improvements through the PID is beneficial to the City and the Assessed Property. Accordingly, the Major Improvements, the Neighborhood Improvement Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, and the Neighborhood Improvement Area #3 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, and the Neighborhood Improvement Area #3 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

Authorized Improvements	Total Cost (a)	NIA #1 Major Improvements		MIA Major Improvements	
		% Allocation	Share of Costs	% Allocation	Share of Costs
Road Improvements	\$3,878,507	8%	\$291,826	92%	\$3,586,681
Storm Drainage Improvements	\$801,703	11%	\$89,128	89%	\$712,575
Wastewater Improvements	\$441,572	11%	\$49,695	89%	\$391,877
Water Improvements	\$484,865	11%	\$54,130	89%	\$430,735
Open Space/Trail System Improvements	\$188,000	0%	\$0	100%	\$188,000
Soft Costs	\$939,922	11%	\$103,422	89%	\$836,500
Total Authorized Improvements	\$6,734,569		\$588,201		\$6,146,368

(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 below. 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.

Table IV-B
Cost Allocation of Neighborhood Improvement Area #1 Improvements

Authorized Improvements	Total Cost (a)	NIA #1 Major Improvements		NIA #1 Onsite Improvements	
		% Allocation	Share of Costs	% Allocation	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	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.

Table IV-D
Cost Allocation of Neighborhood Improvement Area #3 Improvements

Authorized Improvements	Total Cost (a)	NIA #3 Onsite Improvements	
		% Allocation	Share of Costs
Road Improvements	\$1,409,003	100%	\$1,409,003
Wet Utilities	\$1,742,063	100%	\$1,742,063
Storm Drainage Improvements	\$84,770	100%	\$84,770
Soft Costs	\$699,923	100%	\$699,923
Total Authorized Improvements	\$3,935,759	100%	\$3,935,759

(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 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.)

H. 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 C, 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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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 (Per \$100/AV)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$603,223	\$56,602	\$6,557	\$615	\$0.1
70'	7	\$3,010,000	\$59,806	\$5,612	\$8,544	\$802	\$0.1
HOA	-	-	\$6,697	\$628			
<i>Subtotal</i>	<i>99</i>	<i>\$33,370,000</i>	<i>\$669,726</i>	<i>\$62,842</i>			
<i>Phase #3</i>							
50'	80	\$28,000,000	\$538,261	\$50,506	\$6,728	\$631	\$0.1
60'	94	\$37,600,000	\$722,808	\$67,823	\$7,689	\$722	\$0.1
70'	8	\$3,600,000	\$69,205	\$6,494	\$8,651	\$812	\$0.1
HOA	-	-	\$13,437	\$1,261			
<i>Subtotal</i>	<i>182</i>	<i>\$69,200,000</i>	<i>\$1,343,712</i>	<i>\$126,084</i>			
<i>Phase #4</i>							
50'	79	\$28,143,750	\$541,025	\$50,766	\$6,848	\$643	\$0.1
60'	45	\$19,237,500	\$369,814	\$34,701	\$8,218	\$771	\$0.1
70'	31	\$14,182,500	\$272,639	\$25,582	\$8,795	\$825	\$0.1
HOA	-	-	\$11,954	\$1,122			
<i>Subtotal</i>	<i>155</i>	<i>\$61,563,750</i>	<i>\$1,195,433</i>	<i>\$112,170</i>			
<i>Phase #5</i>							
50'	82	\$29,725,000	\$571,422	\$53,618	\$6,969	\$654	\$0.1
60'	46	\$20,010,000	\$384,665	\$36,094	\$8,362	\$785	\$0.1
70'	43	\$19,995,000	\$384,376	\$36,067	\$8,939	\$839	\$0.1
HOA	-	-	\$13,540	\$1,270			
<i>Subtotal</i>	<i>171</i>	<i>\$69,730,000</i>	<i>\$1,354,003</i>	<i>\$127,049</i>			
<i>Phase #6</i>							
50'	63	\$23,231,250	\$446,589	\$41,904	\$7,089	\$665	\$0.1
60'	37	\$16,372,500	\$314,739	\$29,533	\$8,506	\$798	\$0.1
70'	31	\$14,647,500	\$281,578	\$26,421	\$9,083	\$852	\$0.1
Townhome	50	\$15,000,000	\$288,354	\$27,057	\$5,767	\$541	\$0.1
Area F	53,143	\$6,111,468	\$117,485	\$11,024	\$2.21	\$0.21	\$0.1
HOA	-	-	\$14,634	\$1,373			
<i>Subtotal</i>	<i>131</i>	<i>\$75,362,718</i>	<i>\$1,463,378</i>	<i>\$137,312</i>			
<i>Phase #7</i>							
50'	69	\$26,306,250	\$505,701	\$47,451	\$7,329	\$688	\$0.1
60'	30	\$13,725,000	\$263,844	\$24,757	\$8,795	\$825	\$0.1
70'	46	\$22,425,000	\$431,090	\$40,450	\$9,372	\$879	\$0.1
HOA	-	-	\$12,128	\$1,138			
<i>Subtotal</i>	<i>145</i>	<i>\$62,456,250</i>	<i>\$1,212,763</i>	<i>\$113,796</i>			
<i>Phase #8</i>							
50'	86	\$32,250,000	\$619,962	\$58,172	\$7,209	\$676	\$0.1
60'	20	\$9,000,000	\$173,013	\$16,234	\$8,651	\$812	\$0.1
HOA	-	-	\$8,010	\$752			
<i>Subtotal</i>	<i>106</i>	<i>\$41,250,000</i>	<i>\$800,984</i>	<i>\$75,158</i>			
Total	989	\$412,932,718	\$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 unit 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 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 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: Ordinance (Wells South NIA#3- PID Levy)

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 (Per \$100/AV)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$583,716	\$56,659	\$6,345	\$616	\$0.1
70'	7	\$3,010,000	\$57,872	\$5,617	\$8,267	\$802	\$0.1
HOA	-	-	\$6,481	\$629	-	-	
<i>Subtotal</i>	<i>99</i>	<i>\$33,370,000</i>	<i>\$648,069</i>	<i>\$62,905</i>			
<i>Phase #3</i>							
50'	80	\$28,000,000	\$520,855	\$50,557	\$6,511	\$632	\$0.1
60'	94	\$37,600,000	\$699,434	\$67,891	\$7,441	\$722	\$0.1
70'	8	\$3,600,000	\$66,967	\$6,500	\$8,371	\$813	\$0.1
HOA	-	-	\$13,003	\$1,262	-	-	
<i>Subtotal</i>	<i>182</i>	<i>\$69,200,000</i>	<i>\$1,300,258</i>	<i>\$126,211</i>			
<i>Phase #4</i>							
50'	79	\$28,143,750	\$523,529	\$50,817	\$6,627	\$643	\$0.1
60'	45	\$19,237,500	\$357,855	\$34,736	\$7,952	\$772	\$0.1
70'	31	\$14,182,500	\$263,822	\$25,608	\$8,510	\$826	\$0.1
HOA	-	-	\$11,568	\$1,123	-	-	
<i>Subtotal</i>	<i>155</i>	<i>\$61,563,750</i>	<i>\$1,156,774</i>	<i>\$112,283</i>			
<i>Phase #5</i>							
50'	82	\$29,725,000	\$552,943	\$53,672	\$6,743	\$655	\$0.1
60'	46	\$20,010,000	\$372,225	\$36,130	\$8,092	\$785	\$0.1
70'	43	\$19,995,000	\$371,946	\$36,103	\$8,650	\$840	\$0.1
HOA	-	-	\$13,102	\$1,272	-	-	
<i>Subtotal</i>	<i>171</i>	<i>\$69,730,000</i>	<i>\$1,310,217</i>	<i>\$127,177</i>			
<i>Phase #6</i>							
50'	63	\$23,231,250	\$432,147	\$41,947	\$6,859	\$666	\$0.1
60'	37	\$16,372,500	\$304,561	\$29,562	\$8,231	\$799	\$0.1
70'	31	\$14,647,500	\$272,472	\$26,448	\$8,789	\$853	\$0.1
Townhome	50	\$15,000,000	\$279,029	\$27,084	\$5,581	\$542	\$0.1
Area F	53,143	\$6,111,468	\$113,685	\$11,035	\$2.14	\$0.21	\$0.1
HOA	-	-	\$14,161	\$1,375	-	-	
<i>Subtotal</i>	<i>131</i>	<i>\$75,362,718</i>	<i>\$1,416,055</i>	<i>\$137,451</i>			
<i>Phase #7</i>							
50'	69	\$26,306,250	\$489,348	\$47,499	\$7,092	\$688	\$0.1
60'	30	\$13,725,000	\$255,312	\$24,782	\$8,510	\$826	\$0.1
70'	46	\$22,425,000	\$417,149	\$40,491	\$9,068	\$880	\$0.1
HOA	-	-	\$11,735	\$1,139	-	-	
<i>Subtotal</i>	<i>145</i>	<i>\$62,456,250</i>	<i>\$1,173,544</i>	<i>\$113,911</i>			
<i>Phase #8</i>							
50'	86	\$32,250,000	\$599,913	\$58,231	\$6,976	\$677	\$0.1
60'	20	\$9,000,000	\$167,418	\$16,251	\$8,371	\$813	\$0.1
HOA	-	-	\$7,751	\$752	-	-	
<i>Subtotal</i>	<i>106</i>	<i>\$41,250,000</i>	<i>\$775,082</i>	<i>\$75,234</i>			
Total	989	\$412,932,718	\$7,780,000	\$755,173			

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 unit 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 in a 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 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.

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 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 D, 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)
<i>Phase #1</i>							
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.

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)
<i>Phase #1</i>							
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	\$5,550,000	\$496,087			

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 is being 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 Area #2 Assessed Property. Table IV-G.2 summarizes the allocation of the outstanding Special Assessments relating to PID Bonds for the Neighborhood Area #2 Assessed Property.

Based on the costs provided by the Developer for the Neighborhood Area #2 Projects benefitting Neighborhood 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 in the NIA #2 portion of Neighborhood Improvement Area #2 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-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 this Service and Assessment Plan update was adopted by the City Council. Table IV-G.2 summarizes the outstanding special assessments relating to the Neighborhood Improvement Area #2 Assessed Property. This SAP will be modified by the City Council as appropriate based on the actual amount of Neighborhood Improvement Areas #2-3 Bonds that are sold.

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)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$851,163	\$78,718	\$9,252	\$856	\$0.26
70'	7	\$3,010,000	\$84,387	\$7,804	\$12,055	\$1,115	\$0.26
HOA	-	-	\$9,450	\$874	-	-	-
Total	99	\$33,370,000	\$945,000	\$87,396			

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 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)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$828,645	\$78,554	\$9,007	\$854	\$0.26
70'	7	\$3,010,000	\$82,155	\$7,788	\$11,736	\$1,113	\$0.26
HOA	-	-	\$9,200	\$872	-	-	-
Total	99	\$33,370,000	\$920,000	\$87,215			

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 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.

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 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)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$1,454,386	\$135,320	\$15,809	\$1,471	\$0.45
70'	7	\$3,010,000	\$144,193	\$13,416	\$20,599	\$1,917	\$0.45
HOA	-	-	\$16,147	\$1,502	-	-	-
Total	99	\$33,370,000	\$1,614,726	\$150,238			

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	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)
<i>Phase #2</i>							
50'	92	\$30,360,000	\$1,412,361	\$135,213	\$15,352	\$1,470	\$0.45
70'	7	\$3,010,000	\$140,027	\$13,406	\$20,004	\$1,915	\$0.45
HOA	-	-	\$15,681	\$1,501	-	-	-
Total	99	\$33,370,000	\$1,568,069	\$150,120			

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

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 Projects 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 Area #3 Assessed Property. Table IV-I.2 summarizes the current allocation of the Special Assessments relating to PID Bonds for the Neighborhood Area #3 Assessed Property.

Based on the costs provided by the Developer for the Neighborhood Area #3 Improvements benefitting Neighborhood Area #3, the City Council has determined that the benefit to the Neighborhood Area #3 Assessed Property from the Neighborhood 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 F, 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 this Service and Assessment Plan update 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 This SAP will be modified by the City Council as appropriate based on the actual amount of Neighborhood Improvement Areas #2-3 Bonds that are sold.

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)
<i>Phase #3</i>							
50'	80	\$28,000,000	\$911,315	\$81,719	\$11,391	\$1,021	\$0.29
60'	94	\$37,600,000	\$1,223,766	\$109,737	\$13,019	\$1,167	\$0.29
70'	8	\$3,600,000	\$117,169	\$10,507	\$14,646	\$1,313	\$0.29
HOA	-	-	\$22,750	-	-	-	-
Total	182	\$69,200,000	\$2,275,000	\$201,962			

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 5.0% 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.

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)
<i>Phase #3</i>							
50'	80	\$28,000,000	\$911,315	\$81,719	\$11,391	\$1,021	\$0.29
60'	94	\$37,600,000	\$1,223,766	\$109,737	\$13,019	\$1,167	\$0.29
70'	8	\$3,600,000	\$117,169	\$10,507	\$14,646	\$1,313	\$0.29
HOA	-	-	\$22,750	-	-	-	-
Total	182	\$69,200,000	\$2,275,000	\$201,962			

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 5.0% 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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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)
<i>Phase #3</i>							
50'	80	\$28,000,000	\$1,449,576	\$132,225	\$18,120	\$1,653	\$0.47
60'	94	\$37,600,000	\$1,946,574	\$177,559	\$20,708	\$1,889	\$0.47
70'	8	\$3,600,000	\$186,374	\$17,000	\$23,297	\$2,125	\$0.47
HOA	-	-	\$36,187	1,261	-	-	-
Total	182	\$69,200,000	\$3,618,712	\$328,046			

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)
<i>Phase #3</i>							
50'	80	\$28,000,000	\$1,432,170	\$132,276	\$17,902	\$1,653	\$0.47
60'	94	\$37,600,000	\$1,923,200	\$177,628	\$20,460	\$1,890	\$0.47
70'	8	\$3,600,000	\$184,136	\$17,007	\$23,017	\$2,126	\$0.47
HOA	-	-	\$35,753	1,262	-	-	-
Total	182	\$69,200,000	\$3,575,258	\$328,173			

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 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.

I. 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, and the Neighborhood Improvement Area #3 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 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, and the Neighborhood Improvement Area #3 Assessment Roll subject to revisions made during an Annual Service Plan Update.

J. 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, and the Neighborhood Improvement Area #3 Assessment Roll shown on Appendix C, Appendix D, Appendix E, and Appendix F, respectively, which are subject to revision through Annual Service Plan Updates.

K. 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”).

L. PREPAYMENT RESERVE – MIA & NIA #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 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.

M. DELINQUENCY RESERVE – MAJOR IMPROVEMENT AREA & 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.

N. ADDITIONAL INTEREST RESERVE – NEIGHBORHOOD IMPROVEMENT AREAS #2-3 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 an Special Assessment levied against Neighborhood Improvement Area #2 an Neighborhood Improvement Area #3 and the date on which and Neighborhood Improvement Areas #2-3 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 (the “Delinquency and Prepayment Reserve”) shall be funded each year up to 5.5% of the par amount of the Neighborhood Improvement Areas #2-3 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, the City shall will designate such Additional Interest Rate collected for the redemption of Neighborhood Improvement Areas #2-3 Bonds as set forth in the Indenture.

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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 financed with the Major Improvement Area Bonds and the Neighborhood Improvement Area #1 Projects financed with the Neighborhood Improvement Area #1 Bonds have been constructed and accepted by the City. The Neighborhood Improvement Area #2 Improvements have been constructed and accepted by the City. It is anticipated construction of the Neighborhood Improvement Area #3 Improvements will be complete by the end of October 2020. 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, and the Neighborhood Improvement Areas #2-3 Bonds (relating to Neighborhood Improvement Area #2), and the Neighborhood Improvement Areas #2-3 Bonds (relating to Neighborhood Improvement Area #3) are shown on Appendix C, Appendix D, Appendix E, and Appendix F, 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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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
<i>Subtotal</i>	<i>\$6,245,197</i>
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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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
<i>Subtotal</i>	<i>\$5,805,074</i>
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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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 \$3,725,046 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)	\$2,780,046
Total Sources of Funds	\$3,725,046
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (c)	\$3,492,146
Other Fund Deposits	
Debt Service Reserve Fund (d)	\$80,300
Cost of Issuance	\$125,000
Underwriters Discount/Underwriters Counsel (e)	\$27,600
Total Uses of Funds	\$3,725,046

(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 will include a debt service reserve fund calculated in accordance with IRS rules.

(e) The PID Bonds will have a 3.0% Underwriter's Discount, which includes Underwriter's Counsel Fee.

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The estimated 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 \$4,467,454 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
Projected Sources and Uses of Funds

Sources of Funds	Amount
Gross Bond Amount	\$2,275,000
Owner Contribution (a)	\$2,192,454
Total Sources of Funds	\$4,467,454
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (b)	\$3,935,759
Other Fund Deposits	
Debt Service Reserve Fund (c)	\$197,358
Administrative Fund	\$25,000
Capitalized Interest (d)	\$104,587
Cost of Issuance	\$136,500
Underwriters Discount/Underwriters Counsel (e)	\$68,250
Total Uses of Funds	\$4,467,454

(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 will include a debt service reserve fund calculated in accordance with IRS rules.

(d) The PID Bonds will include 12 months of capitalized interest.

(e) The PID Bonds will have a 3.0% Underwriter's Discount, which includes Underwriter's Counsel Fee.

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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.

The projected Annual Installments for the first five years after the approval of this SAP 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	\$15,000	\$42,294	\$15,000	\$0	\$0	\$72,294
2022	\$15,000	\$45,250	\$15,300	\$4,525	\$0	\$80,075
2023	\$15,000	\$44,500	\$15,606	\$4,450	\$0	\$79,556
2024	\$15,000	\$43,750	\$15,918	\$4,375	\$0	\$79,043
2025	\$15,000	\$43,000	\$16,236	\$4,300	\$0	\$78,536
Total	\$100,000	\$273,116	\$91,398	\$17,650	\$0	\$482,164

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 5.0% 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.

The projected Annual Installments for the first five years after the approval of this SAP 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	\$104,587	\$25,000	\$0	(\$104,587)	\$25,000
2022	\$30,000	\$113,750	\$25,500	\$11,375	\$0	\$180,625
2023	\$30,000	\$112,250	\$26,010	\$11,225	\$0	\$179,485
2024	\$30,000	\$110,750	\$26,530	\$11,075	\$0	\$178,355
2025	\$35,000	\$109,250	\$27,061	\$10,925	\$0	\$182,236
Total	\$125,000	\$550,587	\$130,101	\$44,600	(\$104,587)	\$745,701

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 5.0% 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.

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 C. 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, AND NEIGHBORHOOD IMPROVEMENT AREA #3

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 D.

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 E. 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 F. 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) 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.

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 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.

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 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.

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%, the interest rate on the Neighborhood Improvement Area #1 Bonds of 6.25%, The Annual Installments as listed on the Neighborhood Improvement Area #2 Assessment Roll and the Neighborhood Improvement Area #3 Assessment Roll have been calculated assuming the interest rate on the Neighborhood Improvement Areas #2-3 Bonds of 5.0%. 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, or the Neighborhood Improvement Area #3 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 or City Certificates of Obligation and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund 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 the first February 1 following issuance of the Neighborhood Improvement Areas #2-3 Bonds.

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 the first February 1 following issuance of the Neighborhood Improvement Areas #2-3 Bonds.

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.

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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 C.

Table VII-A
Major Improvement Area Bonds
Special Benefit Summary

Special Benefit	Total Cost
Major Improvement Area Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$6,146,368</i>
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
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$2,325,001</i>
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.

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 D.

Table VII-B
Neighborhood Improvement Area #1 Bonds
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #1 Bonds	
<i>Total Authorized Improvements (a)</i>	<i>\$5,733,903</i>
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
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$1,244,999</i>
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.

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 \$3,725,046 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 E.

Table VII-C
Neighborhood Improvement Area #2
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #2 Improvements	
<i>Total Authorized Improvements (a)</i>	<i>\$3,492,146</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$80,300
Underwriter's Discount/Underwriters Counsel	\$125,000
Cost of Issuance	\$27,600
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$232,900</i>
Total Special Benefit	\$3,725,046
Special Benefit	
Total Special Benefit	\$3,725,046
Projected Special Assessment	\$945,000
Excess Benefit	\$2,780,046

(a) See Table III-C for details.

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 \$4,467,454 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 #1 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 F.

Table VII-D
Neighborhood Improvement Area #3
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #3 Improvements	
<i>Total Authorized Improvements (a)</i>	<i>\$3,935,759</i>
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$197,358
Administrative Fund	\$25,000
Capitalized Interest	\$104,587
Underwriter's Discount/Underwriters Counsel	\$68,250
Cost of Issuance	\$136,500
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$531,695</i>
Total Special Benefit	\$4,467,454
Special Benefit	
Total Special Benefit	\$4,467,454
Projected Special Assessment	\$2,275,000
Excess Benefit	\$2,192,454

(a) See Table III-D for details.

E. 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).

F. 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 #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the City Certificates of Obligation on which the Annual Installments shall be paid, any reduction in the Major Improvement Area Special Assessments, Neighborhood Improvement Area #1 Special Assessments or Neighborhood Improvement Area #2 Special Assessments, the Neighborhood Improvement Area #3 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, and the City Certificates of Obligation and Owner funds.

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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.

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.

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APPENDIX A
PID MAP

Attachment: Ordinance (Wells South NIA#3- PID Levy)

Appendix A
PID MAP

Attachment: Ordinance (Wells South NIA#3- PID Levy)

APPENDIX B-1
LEGAL DESCRIPTION – ALL PROPERTY

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 Adrienne 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;

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 PK nail 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.

APPENDIX B-2
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #1

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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;

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;

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.

APPENDIX B-3
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #2

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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: Ordinance (Wells South NIA#3- PID Levy)

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;

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.

APPENDIX B-4
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #3

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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;

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;

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;

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;

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;

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.

APPENDIX C
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Attachment: Ordinance (Wells South NIA#3- PID Levy)

Appendix C

Major Improvement Area Assessment Roll

**Parcel
Units
Assessment**

All Parce

\$8,040,00

Year ¹	Principal	Interest	Principal & Interest ²	Administrative Expenses ³	Prepayment and Delinquency Reserve	Capitalized Interest/Other Credits	Total Annual Installment
9/1/2016	\$0	\$417,075	\$0	\$30,000	\$0	(\$417,075)	\$30,000
9/1/2017	\$0	\$603,000	\$50,199	\$30,600	\$68,005	(\$603,000)	\$148,804
9/1/2018	\$80,000	\$603,000	\$95,348	\$29,067	\$40,200	(\$20,336)	\$827,281
9/1/2019	\$85,000	\$597,000	\$114,986	\$23,836	\$39,800	(\$14,849)	\$845,767
9/1/2020	\$95,000	\$590,626	\$133,381	\$28,600	\$39,375	(\$174,381)	\$712,600
9/1/2021	\$100,000	\$583,500	\$0	\$33,122	\$38,900	\$0	\$755,522
9/1/2022	\$105,000	\$576,000	\$0	\$33,785	\$38,400	\$0	\$753,185
9/1/2023	\$115,000	\$568,125	\$0	\$34,461	\$37,875	\$0	\$755,461
9/1/2024	\$125,000	\$559,500	\$0	\$35,150	\$37,300	\$0	\$756,950
9/1/2025	\$135,000	\$550,125	\$0	\$35,853	\$36,675	\$0	\$757,653
9/1/2026	\$145,000	\$540,000	\$0	\$36,570	\$36,000	\$0	\$757,570
9/1/2027	\$155,000	\$529,125	\$0	\$37,301	\$35,275	\$0	\$756,701
9/1/2028	\$195,000	\$517,500	\$0	\$38,047	\$6,225	\$0	\$756,772
9/1/2029	\$215,000	\$502,875	\$0	\$38,808	\$0	\$0	\$756,683
9/1/2030	\$230,000	\$486,750	\$0	\$39,584	\$0	\$0	\$756,314
9/1/2031	\$245,000	\$469,500	\$0	\$40,376	\$0	\$0	\$754,851
9/1/2032	\$265,000	\$451,125	\$0	\$41,184	\$0	\$0	\$757,309
9/1/2033	\$280,000	\$431,250	\$0	\$42,007	\$0	\$0	\$753,262
9/1/2034	\$300,000	\$410,250	\$0	\$42,847	\$0	\$0	\$753,097
9/1/2035	\$325,000	\$387,750	\$0	\$43,704	\$0	\$0	\$756,454
9/1/2036	\$345,000	\$363,375	\$0	\$44,578	\$0	\$0	\$752,953
9/1/2037	\$370,000	\$337,500	\$0	\$45,470	\$0	\$0	\$752,970
9/1/2038	\$400,000	\$309,750	\$0	\$46,379	\$0	\$0	\$756,129
9/1/2039	\$425,000	\$279,750	\$0	\$47,307	\$0	\$0	\$752,062
9/1/2040	\$460,000	\$247,875	\$0	\$48,253	\$0	\$0	\$756,128
9/1/2041	\$490,000	\$213,375	\$0	\$49,218	\$0	\$0	\$752,593
9/1/2042	\$530,000	\$176,625	\$0	\$50,203	\$0	\$0	\$756,828
9/1/2043	\$565,000	\$136,875	\$0	\$51,207	\$0	\$0	\$753,082
9/1/2044	\$610,000	\$94,500	\$0	\$52,231	\$0	\$0	\$756,731
9/1/2045	\$650,000	\$48,750	\$0	\$53,275	\$0	\$0	\$752,025
	\$8,040,000	\$12,582,451	\$393,914	\$1,203,023	\$454,030	(\$1,229,641)	\$21,443,757

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 assuming a 7.50% interest rate on the Major Improvement area Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Ordinance (Wells South NIA#3- PID Levy)

APPENDIX D
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

Attachment: Ordinance (Wells South NIA#3- PID Levy)

Appendix D Neighborhood Improvement Area #1 Assessment Roll

**Parcel
Units
Assessment**

All Parcels

\$5,790,000

					Prepayment and	Capitalized	Total
			Principal	Administrative	Delinquency	Interest/Other	Annual
Year ¹	Principal	Interest	& Interest ²	Expenses ³	Reserve	Credits	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	\$346,875	\$0	\$33,122	\$27,750	\$0	\$497,74
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
	\$5,790,000	\$7,286,147	\$119,829	\$1,205,889	\$318,376	(\$463,088)	\$14,257,15

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 assuming a 6.250% interest rate on the Neighborhood Improvement Area #1 Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Ordinance (Wells South NIA#3- PID Levy)

APPENDIX E
NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL

Appendix E Neighborhood Improvement Area #2 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
99
\$945,000**

Year¹	Principal	Interest	Administrative Expenses²	Prepayment and Delinquency Reserve	Capitalized Interest	Total Annual Installment³
9/30/2020	\$25,000	\$54,322	\$13,337	\$0	\$0	\$92,659
9/30/2021	\$15,000	\$42,294	\$15,000	\$0	\$0	\$72,294
9/30/2022	\$15,000	\$45,250	\$15,300	\$4,525	\$0	\$80,075
9/30/2023	\$15,000	\$44,500	\$15,606	\$4,450	\$0	\$79,556
9/30/2024	\$15,000	\$43,750	\$15,918	\$4,375	\$0	\$79,043
9/30/2025	\$15,000	\$43,000	\$16,236	\$4,300	\$0	\$78,536
9/30/2026	\$15,000	\$42,250	\$16,561	\$4,225	\$0	\$78,036
9/30/2027	\$15,000	\$41,500	\$16,892	\$4,150	\$0	\$77,542
9/30/2028	\$15,000	\$40,750	\$17,230	\$4,075	\$0	\$77,055
9/30/2029	\$15,000	\$40,000	\$17,575	\$4,000	\$0	\$76,575
9/30/2030	\$15,000	\$39,250	\$17,926	\$3,925	\$0	\$76,101
9/30/2031	\$20,000	\$38,500	\$18,285	\$3,850	\$0	\$80,635
9/30/2032	\$20,000	\$37,500	\$18,651	\$3,750	\$0	\$79,901
9/30/2033	\$20,000	\$36,500	\$19,024	\$3,650	\$0	\$79,174
9/30/2034	\$20,000	\$35,500	\$19,404	\$3,550	\$0	\$78,454
9/30/2035	\$20,000	\$34,500	\$19,792	\$3,450	\$0	\$77,742
9/30/2036	\$20,000	\$33,500	\$20,188	\$3,350	\$0	\$77,038
9/30/2037	\$25,000	\$32,500	\$20,592	\$3,250	\$0	\$81,342
9/30/2038	\$25,000	\$31,250	\$21,004	\$3,125	\$0	\$80,379
9/30/2039	\$25,000	\$30,000	\$21,424	\$3,000	\$0	\$79,424
9/30/2040	\$25,000	\$28,750	\$21,852	\$2,875	\$0	\$78,477
9/30/2041	\$25,000	\$27,500	\$22,289	\$2,750	\$0	\$77,539
9/30/2042	\$25,000	\$26,250	\$22,735	\$2,625	\$0	\$76,610
9/30/2043	\$30,000	\$25,000	\$23,190	\$2,500	\$0	\$80,690
9/30/2044	\$30,000	\$23,500	\$23,653	\$2,350	\$0	\$79,503
9/30/2045	\$30,000	\$22,000	\$24,127	\$2,200	\$0	\$78,327
9/30/2046	\$95,000	\$20,500	\$24,609	\$2,050	\$0	\$142,159
9/30/2047	\$100,000	\$15,750	\$25,101	\$1,575	\$0	\$142,426
9/30/2048	\$105,000	\$10,750	\$25,603	\$1,075	\$0	\$142,428
9/30/2049	\$110,000	\$5,500	\$26,115	\$550	\$0	\$142,165
\$945,000	\$992,116	\$595,221	\$89,550	\$0	\$0	\$2,621,887

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 assuming a 5.0% interest rate on the Neighborhood Improvement Areas #2-3 Bonds plus the Additional Interest plus Administrative Expenses.

APPENDIX F
NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL

Attachment: Ordinance (Wells South NIA#3- PID Levy)

Appendix F

Neighborhood Improvement Area #3 Assessment Roll

**Parcel
Units
Assessment**

All Parcels

\$2,275,000

Year ¹	Principal	Interest	Administrative Expenses ²	Prepayment and Delinquency Reserve	Capitalized Interest	Total Annual Installment ³
9/30/2021	\$0	\$104,587	\$25,000	\$0	(\$104,587)	\$25,000
9/30/2022	\$30,000	\$113,750	\$25,500	\$11,375	\$0	\$180,625
9/30/2023	\$30,000	\$112,250	\$26,010	\$11,225	\$0	\$179,485
9/30/2024	\$30,000	\$110,750	\$26,530	\$11,075	\$0	\$178,355
9/30/2025	\$35,000	\$109,250	\$27,061	\$10,925	\$0	\$182,236
9/30/2026	\$35,000	\$107,500	\$27,602	\$10,750	\$0	\$180,852
9/30/2027	\$35,000	\$105,750	\$28,154	\$10,575	\$0	\$179,479
9/30/2028	\$35,000	\$104,000	\$28,717	\$10,400	\$0	\$178,117
9/30/2029	\$35,000	\$102,250	\$29,291	\$10,225	\$0	\$176,766
9/30/2030	\$35,000	\$100,500	\$29,877	\$10,050	\$0	\$175,427
9/30/2031	\$40,000	\$98,750	\$30,475	\$9,875	\$0	\$179,100
9/30/2032	\$45,000	\$96,750	\$31,084	\$9,675	\$0	\$182,509
9/30/2033	\$45,000	\$94,500	\$31,706	\$9,450	\$0	\$180,656
9/30/2034	\$45,000	\$92,250	\$32,340	\$9,225	\$0	\$178,815
9/30/2035	\$50,000	\$90,000	\$32,987	\$9,000	\$0	\$181,987
9/30/2036	\$50,000	\$87,500	\$33,647	\$8,750	\$0	\$179,897
9/30/2037	\$55,000	\$85,000	\$34,320	\$8,500	\$0	\$182,820
9/30/2038	\$55,000	\$82,250	\$35,006	\$8,225	\$0	\$180,481
9/30/2039	\$60,000	\$79,500	\$35,706	\$7,950	\$0	\$183,156
9/30/2040	\$60,000	\$76,500	\$36,420	\$7,650	\$0	\$180,570
9/30/2041	\$65,000	\$73,500	\$37,149	\$7,350	\$0	\$182,999
9/30/2042	\$65,000	\$70,250	\$37,892	\$7,025	\$0	\$180,167
9/30/2043	\$70,000	\$67,000	\$38,649	\$6,700	\$0	\$182,349
9/30/2044	\$70,000	\$63,500	\$39,422	\$6,350	\$0	\$179,272
9/30/2045	\$75,000	\$60,000	\$40,211	\$6,000	\$0	\$181,211
9/30/2046	\$205,000	\$56,250	\$41,015	\$5,625	\$0	\$307,890
9/30/2047	\$215,000	\$46,000	\$41,835	\$4,600	\$0	\$307,435
9/30/2048	\$225,000	\$35,250	\$42,672	\$3,525	\$0	\$306,447
9/30/2049	\$235,000	\$24,000	\$43,526	\$2,400	\$0	\$304,926
9/30/2050	\$245,000	\$12,250	\$44,396	\$1,225	\$0	\$302,871
	\$2,275,000	\$2,461,587	\$1,014,202	\$235,700	(\$104,587)	\$5,881,902

Attachment: Ordinance (Wells South NIA#3- PID Levy)

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 assuming a 5.0% interest rate on the Neighborhood Improvement Areas #2-3 Bonds plus the Additional Interest plus Administrative Expenses.



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Sutton Fields II NIA #5A- PID Levy

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance accepting and approving a final Amended and Restated Sutton Fields II Public Improvement District Service and Assessment Plan – Updated for NIA#5A, including the NIA#5A assessment roll; making a finding of special benefit to property within NIA #5A of the Sutton Fields II 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 NIA #5A assessed property in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Sutton Fields II NIA #5A- PID Levy) (Pouladi)

Background Information:

The ordinance is attached.

Legal Review:

This item has been reviewed by the City Attorney.

Supporting Documents:

- Staff Presentation
- Ordinance

Staff Recommendation:

Staff recommends approval.

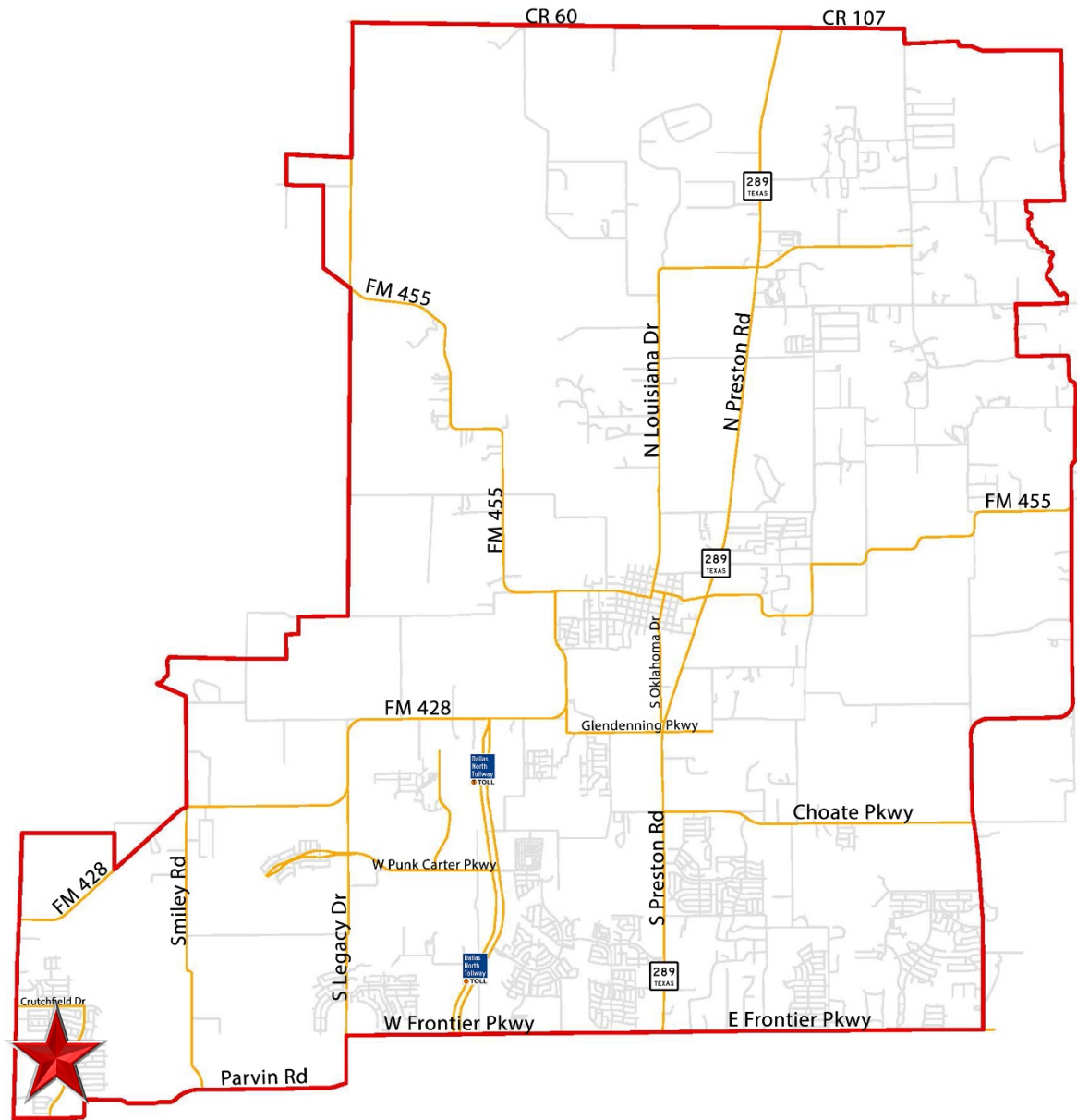
Sutton Fields NIA #5

PID Assessment Levy - Public Hearing

City Council

September 8, 2020

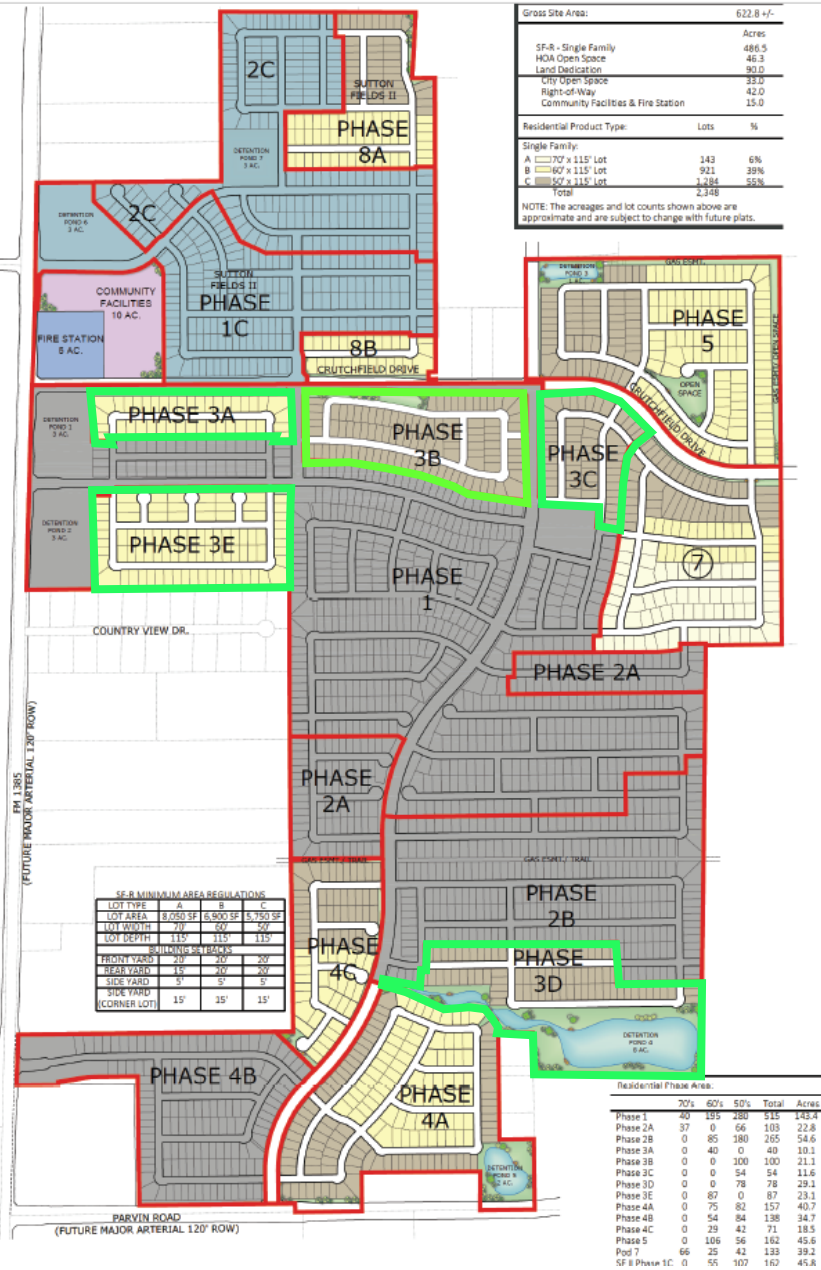
Attachment: Staff Presentation (Sutton Fields II NIA #5A- PID Levy)



Phasing Exhibit

Gross Site Area:	622.8 +/-
SF-A - Single Family	486.5
HOA Open Space	46.3
Land Dedication	90.0
City Open Space	32.0
Right-of-Way	42.0
Community Facilities & Fire Station	15.0
Residential Product Type:	Lots %
Single Family:	
A 112' x 115' Lot	143 6%
B 60' x 115' Lot	921 39%
C 60' x 115' Lot	1,284 55%
Total	2,348

NOTE: The acreages and lot counts shown above are approximate and are subject to change with future plats.



NIA#5

PID Overview

- 359 lots
- Estimated Improvement cost: \$10.5M
- Estimated PID assessment amount: \$4.5M

PID Assessment

Assessment per Unit

60' Lot	\$22,976
50' Lot	\$21,826

PID Timeline

- ~~• September 8, 2015 – PID Petition Acceptance~~
- ~~• October 13, 2015 – PID Creation Resolution~~
- ~~• August 11, 2020 – Pre-SAP Resolution~~
- September 8, 2020 – SAP/Levy Ordinance

Recommendation

- Staff recommends approval as presented

CITY OF CELINA, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA ACCEPTING AND APPROVING AN AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN AND NEIGHBORHOOD IMPROVEMENT AREA #5A ASSESSMENT ROLL FOR THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN NEIGHBORHOOD IMPROVEMENT AREA #5A OF THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #5A OF THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 3, 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 City to be known as the Sutton Fields II Public Improvement District (the “District”); and

WHEREAS, the petition contained the signatures of the owners 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 Denton Central Appraisal District, and the signature of the property owners who owned taxable real property that constituted more than fifty percent of the area of all taxable property within the District that is liable for assessment; and

WHEREAS, on October 13, 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 Sec. 372.009 of the PID Act and made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 2015-51R (the “Authorization Resolution”) adopted by a majority of the members of the City Council,

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

authorized and created the District in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, on October 15, 2015, the City published the Authorization Resolution in *The Dallas Morning News*, a newspaper of general circulation in the City; 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 within 20 days after October 15, 2015; and

WHEREAS, on August 11, 2020, the City Council adopted a resolution approving a preliminary service and assessment plan update, determining the total costs of the Neighborhood Improvement Area #5A Improvements (as defined in the Service and Assessment Plan, defined below), calling for a public hearing to consider the levying of the Assessments against the property within Neighborhood Improvement Area #5A (as defined in the Service and Assessment Plan) of the District (the “Neighborhood Improvement Area #5A Assessments”), authorizing and directing the filing of a proposed assessment roll for Neighborhood Improvement Area #5A of the District (the “Neighborhood Improvement Area #5A Assessment Roll”), authorizing and directing the publication of notice of a public hearing to consider the levying of the Neighborhood Improvement Area #5A Assessments against the property within Neighborhood Improvement Area #5A of the District (the “Levy and Assessment Hearing”) in a newspaper of general circulation in the City, and directing related action; and

WHEREAS, on August 12, 2020, the City Secretary filed the Neighborhood Improvement Area #5A Assessment Roll 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 21, 2020 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 address of the owners of the property liable for the Neighborhood Improvement Area #5A Assessments; and

WHEREAS, the City Council opened the Levy and Assessment Hearing on *September 8, 2020*, 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 #5A Assessment Roll, and the proposed Neighborhood Improvement Area #5A Assessments, and to offer testimony pertinent to any issue presented on the amount of the Neighborhood Improvement Area #5A Assessments, the allocation of costs of the Neighborhood Improvement Area #5A Improvements, the purposes of the Neighborhood Improvement Area #5A Assessments, the special benefits of the Neighborhood Improvement Area #5A Improvements, and the penalties and

interest on annual installments and on delinquent annual installments of the Neighborhood Improvement Area #5A Assessments; and

WHEREAS, the City Council finds and determines that the Neighborhood Improvement Area #5A Assessment Roll and the Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan, dated June 13, 2017, as updated for Neighborhood Improvement Area #3 on June 11, 2019, as updated for Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 on September 10, 2019, as updated for Neighborhood Improvement Area #4 on July 14, 2020, and as updated for Neighborhood Improvement Area #5A on September 8, 2020 (as updated, the “Service and Assessment Plan”), in a form substantially similar to the attached as **Exhibit A** hereto, which final form shall be approved by the City Manager and the City’s land use attorney, and which is incorporated herein for all purposes, should be approved and that the Neighborhood Improvement Area #5A Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the Neighborhood Improvement Area #5A Assessment Roll attached thereto as Appendix H; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of costs of the Neighborhood Improvement Area #5A Improvements, the Neighborhood Improvement Area #5A Assessment Roll, or the levy of the Neighborhood Improvement Area #5A Assessments; and

WHEREAS, the City Council closed the Levy and Assessment 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.

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 costs of the Neighborhood Improvement Area #5A Improvements (as reflected in the Service and Assessment Plan) and the Administrative Expenses (as reflected in the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed Parcel

within Neighborhood Improvement Area #5A of the District will receive from the construction of the Neighborhood Improvement Area #5A Improvements identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Neighborhood Improvement Area #5A Improvements and has been reviewed and updated annually, including by the Service and Assessment Plan attached hereto;

(c) The Service and Assessment Plan apportions the cost of a Neighborhood Improvement Area #5A Improvements to be assessed against the property in Neighborhood Improvement Area #5A of the District and such apportionment is made on the basis of special benefits accruing to the property because of the Neighborhood Improvement Area #5A Improvements;

(d) All of the real property in Neighborhood Improvement Area #5A of the District which is being assessed in the amounts shown in the Neighborhood Improvement Area #5A Assessment Roll will be benefited by the Neighborhood Improvement Area #5A Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel will receive special benefits in each year equal to or greater than each annual installment of the Neighborhood Improvement Area #5A Assessments and will receive special benefits during the term of the Neighborhood Improvement Area #5A Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the costs of the Neighborhood Improvement Area #5A Improvements and the Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Neighborhood Improvement Area #5A Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the costs and Administrative Expenses;

(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 #5A Assessment Roll in the form attached as Appendix I to the Service and Assessment Plan should be approved as the Neighborhood Improvement Area #5A Assessment Roll for Neighborhood Improvement Area #5A of the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Neighborhood Improvement Area #5A Assessments, interest on Annual Installments, interest and penalties on delinquent Neighborhood Improvement

Area #5A Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Neighborhood Improvement Area #5A Assessments should be approved and will expedite collection of the Neighborhood Improvement Area #5A Assessments in a timely manner in order to provide the services and improvements needed and required for Neighborhood Improvement Area #5A 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 that 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 #5A Assessment Roll.

The Neighborhood Improvement Area #5A Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Neighborhood Improvement Area #5A Assessment Roll for Neighborhood Improvement Area #5A of the District.

Section 5. Levy and Payment of Special Assessments for the Estimated Costs of Neighborhood Improvement Area #5A Improvements.

(a) The City Council hereby levies an assessment on each parcel of Neighborhood Improvement Area #5A Assessed Property (excluding Non-Benefitted Property) located within Neighborhood Improvement Area #5A of the District, as shown and described in the Service and Assessment Plan and the Neighborhood Improvement Area #5A Assessment Roll, in the respective amounts shown on the Neighborhood Improvement Area #5A Assessment Roll as a special assessment on the properties set forth in the Neighborhood Improvement Area #5A Assessment Roll.

(b) The levy of the Neighborhood Improvement Area #5A Assessments shall be effective on the date of execution of this Ordinance levying the Neighborhood Improvement Area #5A 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 #5A Assessments shall be as described in the Service and Assessment Plan. The collection of the first Annual Installment of the Neighborhood Improvement Area #5A Assessments hereby levied against each Parcel of Neighborhood Improvement Area #5A Assessed Property shall

commence upon the earlier of (i) the issuance of one or more series of Neighborhood Improvement Area #5A Bonds secured by the Neighborhood Improvement Area #5A Assessments, or (ii) September 21, 2021. Such first Annual Installment of a Neighborhood Improvement Area #5A Assessment shall be due by January 31st of the following calendar year.

(d) Each Neighborhood Improvement Area #5A 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 #5A 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 the Neighborhood Improvement Area #5A Assessed Property shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the estimated costs of the Neighborhood Improvement Area #5A Improvements and the Administrative Expenses is as set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Assessments.

Delinquent Neighborhood Improvement Area #5A 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. The Neighborhood Improvement Area #5A Assessments shall have lien priority as specified in the PID Act, the Service and Assessment Plan, and as otherwise allowed by law.

Section 8. Prepayments of Assessments.

As provided in Section VII of the Service and Assessment Plan, the owner of any Neighborhood Improvement Area #5A Assessed Property may prepay the Neighborhood Improvement Area #5A Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the owners of property in Neighborhood Improvement Area #5A of the District intend for the obligations, covenants and burdens on the landowners of the Neighborhood Improvement Area #5A Assessed Property, including without limitation the

property owners' obligations related to payment of the Neighborhood Improvement Area #5A Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Neighborhood Improvement Area #5A Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the landowners, as the owners of the Neighborhood Improvement Area #5A 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. The Neighborhood Improvement Area #5A Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Initial 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 #5A Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan, in this Ordinance and in any contract between the City and the Administrator. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Temporary Collector.

The City's Assistant City Manager is hereby appointed and designated as the temporary collector of the Neighborhood Improvement Area #5A Assessments (the "Collector"). The Collector shall serve in such capacity until such time as the City shall arrange for the Collector's duties to be performed by the Denton County Tax Assessor and Collector or another qualified collection agent is selected by the City.

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 Neighborhood Improvement Area #5A 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 #5A Assessment Roll, to be recorded in the real property records of Denton County. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section 13. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of 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 #5A 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; Signature page follows]

ADOPTED, PASSED, AND APPROVED on this the 8th day of September, 2020.

ATTEST:

CITY OF CELINA

Vicki Tarrant, City Secretary

Chad Anderson, Mayor Pro-Tem

APPROVED AS TO FORM

_____, Attorney for the City

STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2020 by Chad Anderson and Vicki Tarrant, Mayor Pro-Tem and City Secretary, respectively, of the City of Celina, Texas on behalf of said City.

Notary Public, State of Texas

(SEAL)

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

Exhibit A

Service and Assessment Plan

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #5A

June 13, 2017

As updated for NIA #3 on June 11, 2019, collectively updated for NIA #2 & NIA #3 on September 10, 2019, updated for NIA #4 on July 14, 2020 and September 8, 2020, and updated for NIA #5A on September 8, 2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #5A

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APPENDIX H - NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL	
APPENDIX I - PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #5A ASSESSMENT ROLL	

RECITALS

WHEREAS, this Service and Assessment Plan amends and restates that particular Sutton Fields PID II Service and Assessment Plan approved by the City Council on November 10, 2015 (the “Original SAP”); and

WHEREAS, certain terms used herein are defined in Section II; and

WHEREAS, on September 3, 2015, CADG Sutton Fields, LLC, a Texas limited liability company; owner of a majority of the real property petitioned the City for creation of a PID; and

WHEREAS, by Resolution 2015-51R adopted on October 13, 2015, after notice and a public hearing in the manner required by law, the City Council of the City of Celina, Texas approved a resolution authorizing the creation of the Sutton Fields II Public Improvement District (the “District”) of the City of Celina; and

WHEREAS, on November 10, 2015, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance Nos. 2015-54 and 2015-56 approving the Sutton Fields II Public Improvement District Original SAP and Assessment Roll and the levy of assessments on property in the District; and

WHEREAS, the original plan of development contemplated the City to provide retail water and sewer service, the Developer had agreed to secure the water and wastewater certificates of convenience and necessity (“CCNs”) from Mustang Special Utility District for an estimated cost of \$3,300,000 as shown in the Major Improvements budget in the Original SAP and in connection with the securing of the CCN Certificate in order to provide water and wastewater services for the City, the Developer had agreed to purchase capacity for such services from Upper Trinity Regional Water District (“UTRWD”) for an estimated cost of \$800,000; and

WHEREAS, Mustang Special Utility District (“MSUD”) held the certificates of convenience and necessity (the “CCNs”) to provide retail water and sewer service to Tract A; and

WHEREAS, Aqua Texas (“Aqua”) held the CCNs to provide retail water and sewer service to Tract B; and

WHEREAS, MSUD CCNs were decertified on July 16, 2015 and Aqua CCNs were decertified on March 22, 2016, in order to allow the City to provide retail water and sewer service to the Property; and

WHEREAS, the Developer and the City have agreed that the Property will receive water and sewer service from MSUD; and

WHEREAS, the MSUD, the City, and the Developer entered into that certain Facilities Agreement (the “Facilities_Agreement”) effective on June 13, 2017, wherein MSUD has agreed to provide retail water and sewer service to the Assessed Property and, therefore, the CCNs and the UTRWD capacity included in the Original SAP are no longer required; and

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

WHEREAS, the City Council decided to amend and restate the Original SAP to, among other things, allow MSUD to provide retail water and sewer service to the Assessed Property; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #1 Reimbursement Agreement, effective November 10, 2015 (the “NIA #1 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #2 Reimbursement Agreement, effective August 28, 2018 (the “NIA #2 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #2 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #3 Reimbursement Agreement, effective June 11, 2019 (the “NIA #3 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #3 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Reimbursement Agreement, effective July 14, 2020 (the “NIA #4 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #4 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer determined that due to the change in water and sewer service providers, the Developer will no longer expend the amount of \$2,225,000.00 for the costs incurred in the construction of the Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) for which the City would be obligated to reimburse the Developer; and

WHEREAS, the City Council approved the creation of *Reinvestment Zone Number Four, City of Celina, Texas* (“TIRZ No. 4”), on November 5, 2015; and

WHEREAS, the TIRZ Credit related to TIRZ No. 4 was amended to reduce the City’s participation rate; and

WHEREAS, the City created TIRZ No. 8 to encompass the Neighborhood Improvement Areas #2-5 Assessed Property; and

WHEREAS, the Original SAP was amended and restated on August 28, 2018, as updated from time to time:

NOW THEREFORE, the Service and Assessment Plan is updated as follows:

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On October 13, 2015, (the “Creation Date”) the City Council of the city of Celina, Texas (the “City”) passed and approved Resolution No. 2015-51R approving and authorizing the creation of the Sutton Fields II Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property within the PID (the “Authorized Improvements”), which is located within the City.

Certain development standards have been established for the property within the PID pursuant to the terms and conditions of that certain Amended and Restated Sutton Fields Facilities and Development Agreement dated June 13, 2017 (“the Development Agreement”). The property in the PID is proposed to be developed in approximately five phases, and the PID will finance Authorized Improvements for each phase as each phase is developed. Assessments will be imposed on all property in each phase for the Authorized Improvements to be provided for that phase.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation of public improvement districts within the State of Texas. The Sutton Fields II Service and Assessment Plan was prepared pursuant to the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the Assessment Roll. According to Section 372.013 of the PID Act, a service plan “must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan for the PID is described in more detail in Section VI.

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.

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

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

B. DEFINITIONS

Capitalized terms 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, as defined in the Construction, Funding and Acquisition Agreement, that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses. Actual Costs 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, as defined in the Construction, Funding and Acquisition Agreement, that has been reviewed and approved by the City. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” 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) 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 PID Bonds, (v) issuing, paying and redeeming the PID Bonds (vii) investing or depositing of monies, (viii) complying with the PID Act and codes with respect to the PID Bonds, (ix) the Trustee fees and expenses relating to the PID Bonds, including other reasonable fees (x) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors (xi) 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 PID Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to

avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the PID Bonds or identified in any agreement approved by City Council, who shall have the responsibilities provided for herein and in the Service and Assessment Plan.

“Annual Installment” means, with respect to each Assessed Property, each annual payment of the: (i) Assessments (including the principal of and interest on), as shown on the Assessment Rolls attached hereto as Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I or in an Annual Service Plan Update, and calculated as provided in Section VII of this Service and Assessment Plan, (ii) Administrative Expenses, (iii) Prepayment reserve described in Section V of this Service and Assessment Plan, and (iv) Delinquency reserve described in Section V of this Service and Assessment Plan.

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

“As-Built Assessed Value” means the estimated future assessed value of a parcel after construction.

“Assessed Property” means a Parcel, other than Non-Benefitted Property, of land located within the PID, described by metes and bounds, 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 County, against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

“Assessment Ordinance” means each 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 Roll(s)” means the document(s) included in this Service and Assessment Plan as Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I 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 PID Bonds or in connection with any Annual Service Plan Update or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan.

“Authorized Improvements” means the public improvements identified in Section III herein and authorized under Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

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

“City” means City of Celina, Texas.

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

“Construction, Funding and Acquisition Agreement”, as applicable, the (i) “Neighborhood Improvement Areas #2-5 Construction, Funding and Acquisition Agreement” between the City and the Developer relating to the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Areas #2-5 Major Improvements, the maintenance of the Neighborhood Improvement Areas #2-5 Major Improvements, the issuance of bonds and other matters related thereto, (ii) the "Neighborhood Improvement Area #1 Construction, Funding and Acquisition Agreement" between the City and the Developer relating to the Neighborhood Improvement Area #1 Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Area #1 Improvements, the maintenance of the Neighborhood Improvement Area #1 Improvements, the issuance of bonds and other matters related thereto, (iii) the “Neighborhood Improvement Area #2 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of August 28, 2018, (iv) the “Neighborhood Improvement Area #3 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of June 11, 2019, (v) the “Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of July 14, 2019, and (v) the “Neighborhood Improvement Area #5A Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of [REDACTED], 2020.

“County” means Denton County, Texas.

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

“Developer” means, as applicable, CADG Sutton Fields, LLC, a Texas limited liability company; CADG Sutton Fields II, LLC, a Texas limited liability company, and MM Sutton Fields 4A-4B, LLC, a Texas limited liability company.

“Future Neighborhood Improvement Area” means Neighborhood Improvement Areas that may be fully developed after Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, Neighborhood Improvement Area #4, and Neighborhood Improvement Area #5A, as such areas are generally depicted in Table II-C. The Future Neighborhood Improvement Areas are subject to adjustment and are shown for example only.

“Future Neighborhood Improvement Area Improvements” means those Authorized Improvements associated with any Future Neighborhood Improvement Area.

“Future Neighborhood Improvement Area Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Future Neighborhood Improvement Area. In connection with the Future Neighborhood Improvement Area Bonds, Assessments will be levied only on Parcels located within the Future Neighborhood Improvement Area in question.

“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 established for the benefit of property owners within the PID.

“Indenture” means an indenture of trust, trust agreement, ordinance or similar document between the City and Trustee setting forth the terms and other provisions relating to a series of one or more PID Bonds, as modified, amended, and/or supplemented from time to time.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the Official Public Records of Denton 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 Lot size and Lot width.

“Major Improvements” means both on-site and off-site Authorized Improvements which benefit all Assessed Property within the PID and described in Section III.

“Neighborhood Improvement Area #1” means the initial area to be developed within the PID as generally shown on the map on Table II-B consisting of approximately 130 acres.

“Neighborhood Improvement Area #1 Assessed Property” means any and all Parcels within Neighborhood Improvement Area #1 other than Non-Benefited Property and as shown in the Neighborhood Improvement Area #1 Assessment Roll against which an Assessment relating to the Neighborhood Improvement Area #1 Improvements is levied.

“Neighborhood Improvement Area #1 Assessment Roll” means the Assessment Roll covering the Neighborhood Improvement Area #1 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 PID Bonds or in connection with any Annual Service Plan Updates.

“Neighborhood Improvement Area #1 Bonds” means those certain “City of Celina, Texas, Special Assessment Revenue Bonds, Series, 2015 (Sutton Fields II Public Improvement District

Neighborhood Improvement Area #1 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Neighborhood Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #1 Improvements.

“Neighborhood Improvement Area #1 Improvements” means (i) the pro rata portion of the Major Improvements that benefit the entire PID allocable to the Neighborhood Improvement Area #1, and (ii) the Authorized Improvements which only benefit the Neighborhood Improvement Area #1 Assessed Property and are described in Section III.B hereto, and which are to be financed with Neighborhood Improvement Area #1 Bonds.

“Neighborhood Improvement Area #2” or “NIA #2” means the property within the PID, being developed as Phase 1C, as depicted on the map in Appendix A consisting of approximately 45.4 acres within the PID.

“Neighborhood Improvement Area #2 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #2 other than Non-Benefited Property.

“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, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #2 Initial Parcel” means the portion of all Parcels located within Neighborhood Improvement Area #2, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 134236.

“Neighborhood Improvement Area #2 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #2, as described in Section III.D hereto, and which are to be financed with the Neighborhood Improvement Areas #2 Reimbursement Agreement and/or the Neighborhood Improvement Areas #2-3 Bonds.

“Neighborhood Improvement Area #2 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #2 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #2 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Areas #2-3 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2019 (Sutton Fields II Public Improvement District Neighborhood Improvement Area’s #2-3 Projects) that are secured by actual revenues received by or on behalf of the City from the collection of 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 Areas #2-5” means the property within the PID, excluding the Neighborhood Improvement Area #1, as depicted on the map on Table II-C consisting of approximately 493 acres within the PID.

“Neighborhood Improvement Areas #2-5 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #2-5 other than Non-Benefited Property.

“Neighborhood Improvement Areas #2-5 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Areas #2-5 Major Improvements 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, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Areas #2-5 Initial Parcel” means the portion of all Parcels located within Neighborhood Improvement Areas #2-5, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52680, 122875, 52751, 52810, 52744, 52760, 52721, 660188, 134236.

“Neighborhood Improvement Areas #2-5 Major Improvements” means those Major Improvements that benefit the entire PID that are allocable to Neighborhood Improvement Areas #2-5, as described in Section III.C hereto, and which are to be financed with the Neighborhood Improvement Areas #2-5 Major Improvement Bonds.

“Neighborhood Improvement Areas #2-5 Major Improvement Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-5 Major Improvement Project) that are secured by Assessments levied on Neighborhood Improvement Areas #2-5 Assessed Property.

“Neighborhood Improvement Area #3” or “NIA #3” means the property within the PID, being developed as Phases 2A and 2B, as depicted on the map in Appendix A consisting of approximately 77.4 acres within the PID.

“Neighborhood Improvement Area #3 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #3 other than Non-Benefited Property.

“Neighborhood Improvement Area #3 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #3 included in this SAP 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 any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #3 Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #3, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52810, 52744, 52760, and 52721.

“Neighborhood Improvement Area #3 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #3, as described in Section III.E hereto, and which are to be financed with the Neighborhood Improvement Areas #3 Reimbursement Agreement and/or the Neighborhood Improvement Areas #2-3 Bonds.

“Neighborhood Improvement Area #3 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #3 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #3 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Area #4” or “NIA #4” means the property within the PID, being developed as Phases #2C and Phase #4B, as depicted on the map in Appendix A consisting of approximately 77 acres within the PID.

“Neighborhood Improvement Area #4 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Area #4 other than Non-Benefited Property.

“Neighborhood Improvement Area #4 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #4 included in this SAP 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 any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #4 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Projects) that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Neighborhood Improvement Area #4 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #4 Improvements.

“Neighborhood Improvement Area #4 Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #4, which as of June 9, 2019 includes the following tax map identification numbers assigned by the Denton County Appraisal District: 751232, 751234, and 134236.

“Neighborhood Improvement Area #4 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #4, as described in Section III.F hereto, and which are initially financed with the Neighborhood Improvement Area #4 Reimbursement Agreement and replaced with proceeds from the Neighborhood Improvement Area #4 Bonds.

“Neighborhood Improvement Area #4 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #4 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #4 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Area #5A” or “NIA #5A” means the property within the PID, being developed as Phases #3A, Phase #3B, Phase #3C, Phase #3D, and Phase #3E, as depicted on the map in Appendix A consisting of approximately 96 acres within the PID.

“Neighborhood Improvement Area #5A Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Area #5A other than Non-Benefited Property.

“Neighborhood Improvement Area #5A Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #5A included in this SAP as Appendix I, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #5A Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #5A, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 122875, 52680, 52690, 52751, 52810, 52744, 52721, 52760, and 52763.

“Neighborhood Improvement Area #5A Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #5A, as described in Section III.G hereto, and which are to be financed with the Neighborhood Improvement Area #5A Reimbursement Agreement.

“Neighborhood Improvement Area #5A Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #5A Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #5A Improvements funded by the Developer with interest as permitted by the Act.

“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. Property identified as Non-Benefited Property is not assessed at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel. For Assessed Property that is converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, such property remains subject to the Assessments and the Assessments must be prepaid as provided for in Section VII.H.

“Parcel” or “Parcels” means a specific property within the PID identified by either a tax map identification number assigned by the Denton County Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Denton County, or by any other means determined by the County.

“PID” means the Sutton Fields II Public Improvement District created by the City pursuant to Resolution 2015-51R on October 13, 2015.

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

“PID Bonds” means the bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the property within the PID, which may include funds for any required reserves and amounts necessary to pay the PID Bond issuance costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the PID Act, for the purposes of (i) financing the costs of Authorized Improvements and related costs, and (ii) reimbursement for Actual Costs paid prior to the issuance of and payment for the PID Bonds. This term is used to collectively refer to the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, the Neighborhood Improvement Area #2-3 Bonds, and the Neighborhood Improvement Area #4 Bonds, throughout this SAP.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds and allowed by law, 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.

“Project” means the approximately 622 acres of land located within the City. The project is contained within the area depicted on Table II-A.

“Public Property” means property, real property, right of way and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Denton County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, or through a public utility easement.

“Service and Assessment Plan” or **“SAP”** means this Sutton Fields II Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the PID.

“TIRZ No. 4” means the Tax Increment Reinvestment Zone No. 4, City of Celina, Texas.

“TIRZ No. 8” means the Tax Increment Reinvestment Zone No. 8, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section V.N of this Service and Assessment Plan.

“TIRZ Ordinances” means the ordinances adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 4 Project Plan and Financing Plan (including amendments or supplements

thereto) and the Tax Increment Reinvestment Zone No. 8 Project Plan and Financing Plan (including amendments or supplements thereto)..

“**TIRZ Revenues**” mean, for each year, the amounts paid by the City from the TIRZ No. 4 tax increment fund and TIRZ No 8 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section V.M of this Service and Assessment Plan.

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

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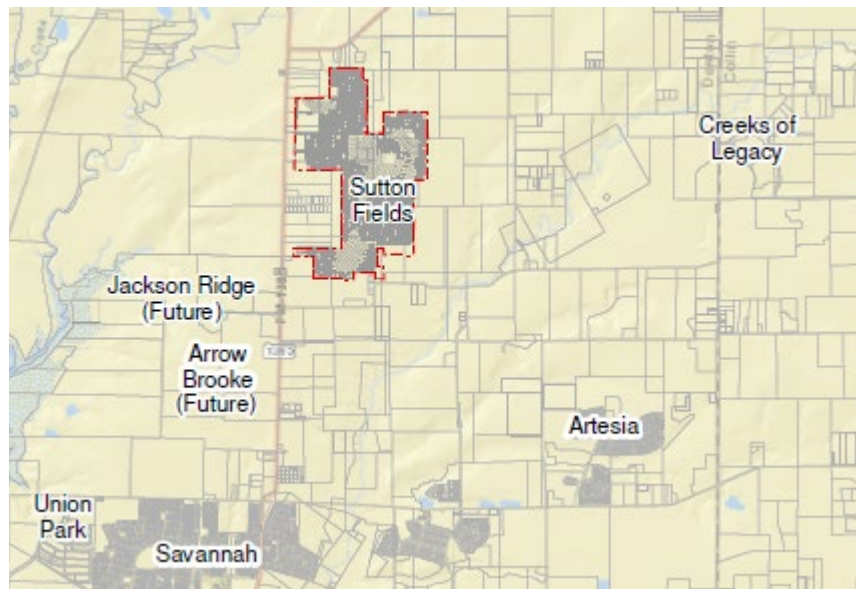
II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is comprised of the property depicted and described by metes and bounds on Exhibit A to Resolution 2015-51R, as adopted by the City Council. The PID is located within the City's corporate limits and within the extraterritorial jurisdiction of the City and contains approximately 622 acres planned for the development of approximately 2,290 single family residential lots and includes 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 original Parcels within the PID are included in Appendix B.

**Table II-A
PID Boundary Map**



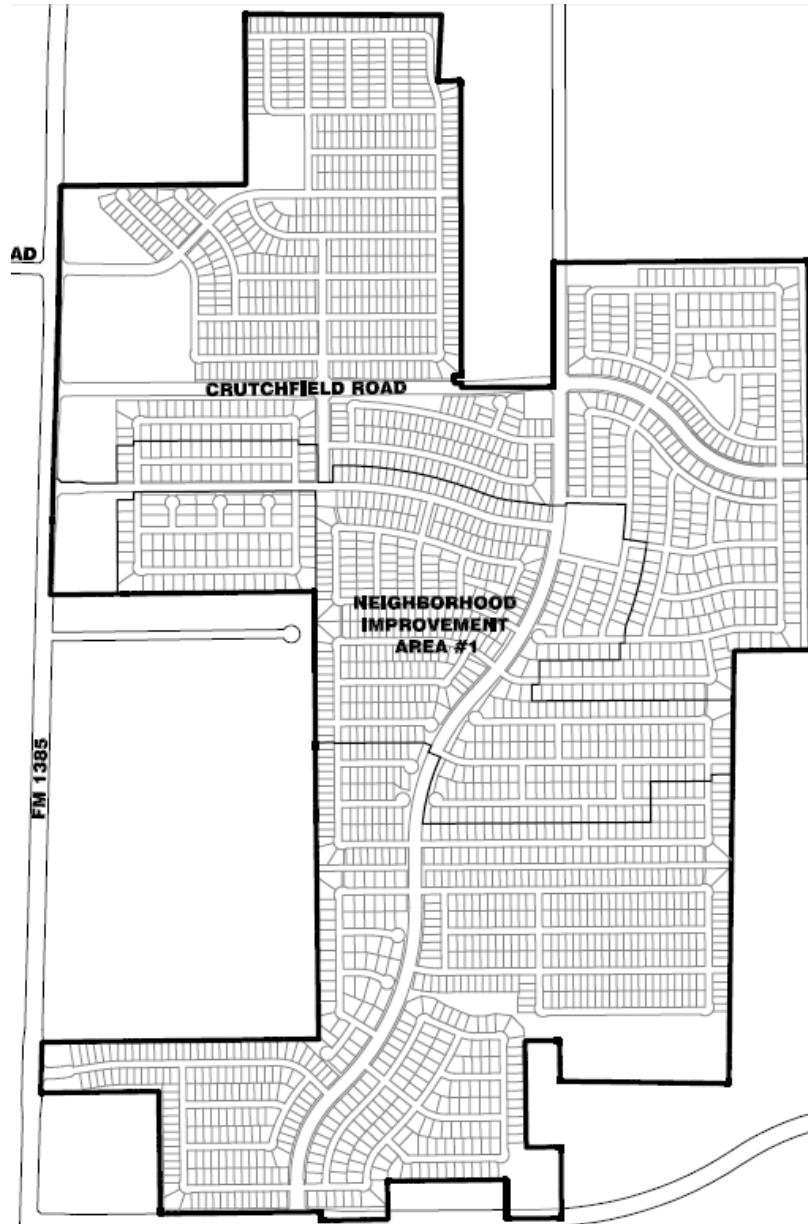
Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

B. PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #1

The Neighborhood Improvement Area #1 contains approximately 130 acres. Neighborhood Improvement Area #1 is expected to be developed into approximately 515 single family residential lots.

A map of the property within the PID and Neighborhood Improvement Area #1 is shown in Table II-B.

Table II-B
PID Boundary Map



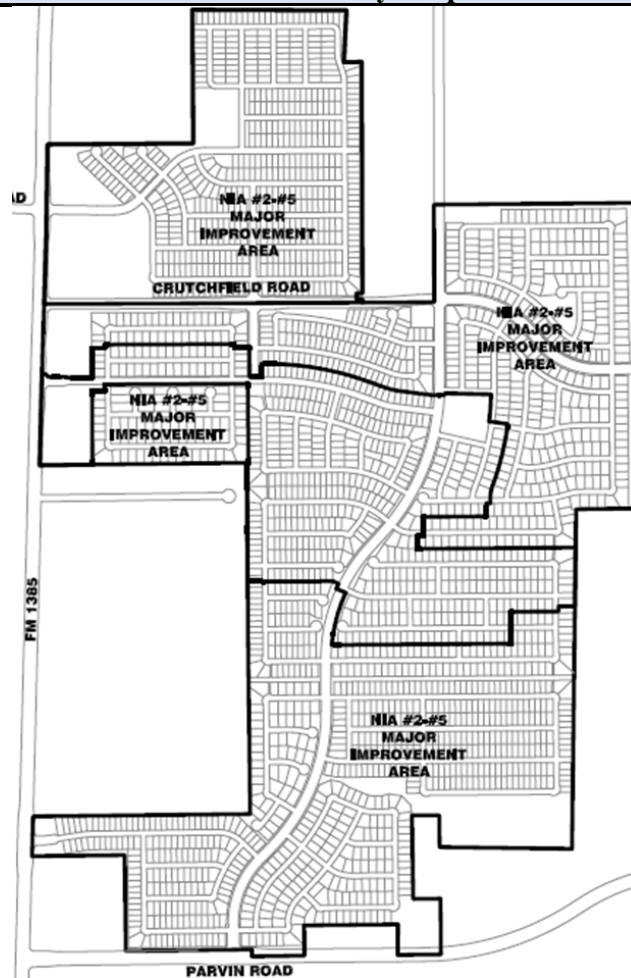
Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

C. PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREAS #2-5

Neighborhood Improvement Areas #2-5 contain approximately 493 acres. Neighborhood Improvement Areas #2-5 are expected to be developed in separate Future Neighborhood Improvement Areas containing, in total, approximately 1,775 single family residential lots. As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to incorporate any applicable new information and a new table that depicts the impact of the applicable Future Neighborhood Improvement Area being developed.

A map of the property within the Neighborhood Improvement Areas #2-5 is shown in Table II-C.

Table II-C
PID Boundary Map



Neighborhood Improvement Area #2 contains approximately 45.4 acres. Neighborhood Improvement Area #2 is expected to be developed into approximately 162 single family residential lots.

Neighborhood Improvement Area #3 contains approximately 77.4 acres. Neighborhood Improvement Area #3 is expected to be developed into approximately 368 single family residential lots.

Neighborhood Improvement Area #4 contains approximately 77.337 acres. Neighborhood Improvement Area #4 is expected to be developed into approximately 305 single family residential lots.

Neighborhood Improvement Area #5A contains approximately 96 acres. Neighborhood Improvement Area #5A is expected to be developed into approximately 359 single family residential lots.

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III. DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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

372.003. Authorized Improvements

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

(b) A public improvement may include:

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

After analyzing the public improvements authorized by the PID Act, the City has determined that of the improvements authorized under the PID Act, it will undertake the Authorized Improvements more particularly described in Section III.B, Section III.C, Section III.D, Section III.E, and Section III.F herein for the benefit of the Property within the PID.

B. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #1

The Authorized Improvements that only benefit Improvement Area #1 are described below:

Neighborhood Improvement Area #1 Water Distribution System

This water portion of the Neighborhood Improvement Area #1 waterline improvements consists of constructing 8-inch water line, including associated and 8-inch gate valves. One-inch diameter water services will be provided to each of the 515 lots within Neighborhood Improvement Area #1. All associated waterline testing, trench safety and erosion protection during construction are included. These lines have been designed and constructed in accordance with Mustang Special Utility District (MSUD) standards and specifications and are owned and operated by MSUD. These lines include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Neighborhood Improvement Area #1 and all 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Sanitary Sewer

Neighborhood Improvement Area #1 wastewater improvements also include construction of 8" gravity sanitary sewer line that connects to the 10" gravity sewer main line. Construction includes connection at multiple points through concrete manholes. Services to individual lots are by 4" gravity sewer services. All lines have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD. These lines include the necessary appurtenances to be fully operational extending wastewater service to the limits of Neighborhood Improvement Area #1 and each of the 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Storm Drainage

The drainage portion of the Neighborhood Improvement Area #1 Improvements shall consist round concrete pipes, reinforced concrete boxes, inlets and rock riprap protection at outfalls. The main means of conveyance of storm drainage within Neighborhood Improvement Area #1 is within underground storm drainpipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Neighborhood Improvement Area #1. The system includes underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. This project has been constructed to City standards and specifications and has been dedicated to the City to own and operate.

Neighborhood Improvement Area #1 Residential Streets

Roadway improvements within Neighborhood Improvement Area #1 include construction of concrete pavement and pavement subgrade. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each lot within Neighborhood Improvement Area #1. All roadway projects have been designed and constructed in accordance with City standards and specifications and has been dedicated to the City to own and operate These projects provide access to community roadways and state highways.

C. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with Mustang Special Utility District (“MSUD”) as its retail provider of water. The Major Improvements originally anticipated to be constructed and updates to the Major Improvements because of the change are described below:

The Neighborhood Improvement Areas #2-5 Major Improvements are described below and their Actual Costs are shown in Table III-A. The Neighborhood Improvement Areas #2-5 Major Improvement Bonds will only pay for Neighborhood Improvement Areas #2-5’s share of the Major Improvements (approximately 79% except for the Offsite Sewer Improvements which are approximately 74%) as shown within Table III-A. The Actual Costs to construct the Major Improvements including the Off-Site Major Improvements is \$11,520,649. The Actual Costs to construct the Neighborhood Improvement Areas #2-5 Major Improvements minus the Off-Site Sewer Major Improvements allocated to Neighborhood Improvement Areas #2-5 and as shown in Table V-B, is \$10,611,272. The Actual Costs shown in Table III-A may be revised through Annual Service Plan Updates.

The Actual Costs for the Neighborhood Improvement Areas #2-5 Major Improvements are to be funded both from the proceeds of the Neighborhood Improvement Areas #2-5 Major Improvement Bonds as described herein and from funds contributed by the Developer.

1. Detention Ponds

Drainage System

Project shall consist of the construction of one (1) retention/detention pond, including excavation to a depth of 15-feet and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond. This project has been constructed according to City standards and specifications and is owned and operated by the City. The portion of these costs allocated to Neighborhood Improvement Areas #2-5 is \$215,582.

Updates to the Drainage System Improvements:

According to Pettit Barazza, LLC (the “Project Engineer”), final design incorporated additional detention ponds, which are new projects. Storm drainage system associated with the detention ponds are included with these improvements and generally consists of reinforced concrete pipes and reinforced concrete boxes, along with headwalls and safety end treatments, erosion control such as riprap protection, and soil stabilization. The improvements were designed according to City and the Texas Department of Transportation (TxDOT). The City maintains and operates the underground storm drainage system and the Homeowners’ Association maintains and operates the detention ponds.

2. Paving

A. Road “A” Improvements

The Roadway ‘A’ portion of the project consists of the construction of approximately 240 linear feet of 6-inch thick, 36-foot wide, concrete pavement with curb and gutter and 3,280 linear feet of 6-inch thick, 44-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. 17,978 square yards (sy) of pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This provides access from FM 1385 into the Sutton Fields Amenity Center and rest of the development.

B. Updates to the Roadway “A” Improvements:

According to the Project Engineer, Roadway “A” was renamed as Fenwick Trail. In addition, the final design includes 6-inch lime stabilization and 5-foot wide sidewalk and round concrete pipes are also included in the contracted quantities for Fenwick Trail improvements.

C. Road “F” Improvements

The Roadway ‘F’ portion of the project consists of the construction of 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides north-south access to the entire development. The roadway improvements have constructed according to City standards.

D. Updates to the Roadway “F” Improvements:

The Project Engineer provided the following updates to the Roadway “F” Improvements:

The City required a second point of access for the current phases, which required the extension of Sutton Fields Boulevard to the north and partial construction of the intersection at Crutchfield Road. The southern end of Sutton Fields Boulevard was also extended to the end of the lots developed and platted with the current phases. 4-lane divided concrete pavement and 6-inch stabilized subgrade are currently under contract. The north and south extension of Sutton Fields

Boulevard is a new project, not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

E. Road C1 – Crutchfield Road

The improvement of one-half (1/2) of Crutchfield Road (Road C1), from FM 1385 east to the intersection of Sutton Fields Boulevard, was required by the City as a second point of access to the development through Sutton Fields Boulevard. The Roadway ‘C1’ portion of the project consists of the construction 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides east-west access to the entire development. The improvement of Crutchfield Road is a new project that was not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

F. Road B – Boleyn Avenue

The City required the additional improvement of Boleyn Avenue as a condition of approval. The Roadway ‘B’ portion of the project consists of the construction of, 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides a north access to the entire development. The construction of Boleyn Avenue is a new project that was not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

G. FM 1385

The FM 1385 roadway portion of the project consists of the construction left and right turn lanes within FM 1385 to enhance traffic turning movement in and out of the development. These improvements have been constructed to TX DOT, Denton County and City standards. These Improvements benefit the entire project.

H. Updates to the FM 1385 Improvements:

With the additional new project of Crutchfield Road (Road C1) Improvements by the City, an additional right turn lane was required. One (1) northbound right turn lane is being constructed at Fenwick Trail (Road A) and an additional one (1) northbound right turn lane at Crutchfield Road (Road C1) with the current phases. Both turn lanes consist of hot mix asphaltic concrete. The additional right turn lane is a new project that was not included in the initial list of Authorized Improvements for the PID.

As described above, MSUD continues to provide water and wastewater services to the properties in the PID, as a result, CCNs are no longer required for the PID.

Offsite Water

A. Water Distribution System

The City is a customer of the Upper Trinity Regional Water District (“UTRWD”) and receives wholesale treated water through a major transmission line from the UTRWD Tom Harpool water treatment plant. Therefore, there are no water treatment plant upgrades required.

There is an existing 36-inch water transmission line located along the Western boundary of the project. The off-site improvements consist of constructing a new delivery point/ meter station, a 0.25 MG Ground Storage Tank, a 1.0 MG Elevated Storage Tank and a Pump Station with the required pumps to provide adequate pressure to the system. The combination of the Elevated and Ground Storage Tanks will provide the adequate storage capacity required by TCEQ and will also provide the required pressures for the entire system. Approximately 11,000 linear feet of 12-inch water line have been constructed as part of the water distribution system. All of the improvements benefit the Development. Additional waterline improvements include connection to the existing water-main, installation of associated 12-inch valves, fire hydrants, ductile iron fittings, erosion control, trench safety and testing. All water improvements have been constructed to City standards and specifications and all improvements are owned and operated by the City. These Improvements benefit Neighborhood Improvement Areas #1-4.

B. Updates to the Offsite Water Distribution System Improvements:

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with MSUD as its retail provider of water. The transition from UTRWD to MSUD resulted in the addition of 12-inch water lines along the future Tudor Place, and downsizing the proposed 12-inch water line along Fenwick Trail to an 8-inch water line. Also, a 12-inch water line was extended along the additional length of Sutton Fields Boulevard required by the City in conjunction with the current phase. The additional 12-inch water lines are new projects that were not included in the initial list of Authorized Improvements for the PID.

C. Elevated Storage Tank Engineering

Engineering for the Elevated Storage Tank will start with NIA #1 to secure all necessary approvals, including TCEQ and the City. These Improvements will benefit the entire project.

D. Updates to the Elevated Storage Tank:

The elevated storage tank is no longer required because of the transition from UTRWD to MSUD. As a result, the water distribution system was redesigned to accommodate the new points of connection and the elevated storage tank is no longer required for the PID.

3. Offsite Sewer

A. Sanitary Sewer

The City is a customer city of the Upper Trinity Regional Water District (UTRWD) and receives wastewater collection services by constructing a wastewater interceptor line and wastewater treatment services from the UTRWD collection point located at Parvin Road & Good Hope. UTRWD operates the Riverbend and Doe Creek wastewater treatment plants. The UTRWD treatment plant permit with the TCEQ has excess capacity to serve the Sutton Fields development. UTRWD is in the process of expanding both wastewater treatment plants.

This project consists of constructing 6-inch force main, associated lift station, 6,050 linear feet of 15-inch sanitary sewer gravity line, 1,250 linear feet of 12-inch sanitary sewer gravity line and 800 linear feet of 10-inch sanitary sewer gravity line generally flowing southeasterly along Parvin Road and connecting to the UTRWD collection point and Doe Creek/ Riverbend Wastewater Treatment Plants. Cutoff valves, air release valves have been constructed in accordance with City of Celina and TCEQ regulations. The gravity interceptor line has been designed to maintain the 3.0 fps minimum velocity. The line has been designed and constructed in accordance with the City's standards and specifications and is owned and operated by the City. The portion of the acquisition of this and other related costs of the CCN allocated to Neighborhood Improvement Areas #2-3 is \$909,377.

B. Updates to the Offsite Sanitary Sewer System Improvements:

The original plan for the PID anticipated the City as a customer of UTRWD providing wastewater collection services to the PID. This plan has since changed and currently, The PID has been developed with MSUD as its retail provider of wastewater collection services. As a result of this the transition from UTRWD to MSUD, the metering station at the UTRWD delivery point is no longer required because the offsite gravity sewer connects into an existing MSUD gravity line. The contracted quantities for the offsite sewer also includes gravity sanitary sewer mains from 8-inch to 24-inch diameters, along with a concrete encasement for crossing under Doe Creek, and removal and replacement of existing MSUD gravity lines to facilitate outfall. It also includes removal and replacement of existing fences.

4. Right of Way, Open Space and Civic Site Land

Upon closing of the PID Bonds corresponding to the development of a certain number of lots, the City has paid a certain amount for the acquisition of the right-of-way, open space and civic site land comprising approximately 71.3 acres.

Table III-A
Costs of Major Improvements and Neighborhood Area #1 Improvements

	Total Costs
<i>Major Improvements</i>	
Detention Ponds	\$1,713,240
Paving Road A - Fenwick	\$1,757,332
Paving Road F - Sutton Fields	\$1,329,016
Paving - FM 1385	\$473,345
Crutchfield Road	\$1,016,121
Boleyn Paving - Road B	\$262,789
ROW, open space land acquisition and park contribution	\$6,500,000
Offsite water improvements	\$1,015,695
Offsite sewer improvements	\$2,807,208
Professional consulting, legal fees and additional debt service reserve funding	\$620,000
<i>Subtotal Major Improvements</i>	<i>\$17,494,746</i>
<i>Neighborhood Improvement Area #1 Improvements</i>	
Water distribution improvements	\$1,484,079
Sewer collection improvements	\$1,327,844
Storm sewer collection improvements	\$2,563,601
Roadway improvements including site preparation	\$3,627,916
<i>Subtotal NIA #1 Improvements</i>	<i>\$9,003,440</i>
Total Authorized Improvements	\$26,498,186

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

D. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #2

The descriptions of the Neighborhood Improvement Area #2 Improvements are presented below and the Actual Costs of the Neighborhood Improvement Area #2 Improvements are shown in Table III-B. The Actual Costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation

of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Table III-B
Costs Neighborhood Improvement Area #2 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$1,699,596
Water distribution improvements	\$447,989
Sewer collection improvements	\$459,689
Storm sewer collection improvements	\$850,638
Other soft and miscellaneous costs	\$770,204
Total Authorized Improvements	\$4,228,116

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

E. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #3

The descriptions of the Neighborhood Improvement Area #3 Improvements are presented below and the Actual Costs of the Neighborhood Improvement Area #3 Improvements are shown in Table III-C. The Actual Costs shown in Table III-C may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects have been designed and constructed in accordance with City standards and specifications and are owned and operated by

the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Table III-C
Costs Neighborhood Improvement Area #3 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$2,437,225
Water distribution improvements	\$697,756
Sewer collection improvements	\$629,868
Storm sewer collection improvements	\$1,962,024
Other soft and miscellaneous costs	\$988,693
Total Authorized Improvements	\$6,715,566

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

F. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #4

The descriptions of the Neighborhood Improvement Area #4 Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #4 Improvements are shown in Table III-D. The estimated costs shown in Table III-D may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, sheet draining slopes and drainage channels as well as detention ponds. 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.

Table III-D
Estimated Costs Neighborhood Improvement Area #4 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$2,286,637
Water distribution improvements	\$753,549
Sewer collection improvements	\$1,294,285
Storm sewer collection improvements	\$1,443,748
Other soft and miscellaneous costs	\$0
Total Authorized Improvements	\$5,778,220

Note: The amounts shown may be revised in Annual Service Plan Updates.

The costs of the Authorized improvements shown above are estimates and may be updated in Annual Service Plan Updates. Savings from one line item may be applied to other line items or other Authorized Improvements specified in an Annual Service Plan Update or as otherwise approved by the City Council, provides such application complies with the provision of the PID Act.

G. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #5A

The descriptions of the Neighborhood Improvement Area #5A Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #5A Improvements are shown in Table III-E. The estimated costs shown in Table III-E may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, sheet draining slopes and drainage channels as well as detention ponds. 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.

Table III-E
Estimated Costs Neighborhood Improvement Area #5A Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$3,325,589
Water distribution improvements	\$970,144
Sewer collection improvements	\$959,493
Storm sewer collection improvements	\$1,107,463
Other soft and miscellaneous costs	\$4,072,657
Total Authorized Improvements	\$10,435,347

Note: The amounts shown may be revised in Annual Service Plan Updates.

The costs of the Authorized improvements shown above are estimates and may be updated in Annual Service Plan Updates. Savings from one line item may be applied to other line items or other Authorized Improvements specified in an Annual Service Plan Update or as otherwise approved by the City Council, provides such application complies with the provision of the PID Act.

H. DESCRIPTIONS AND COSTS OF FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS

Future Neighborhood Improvement Area Bonds may be issued in the future to fund Future Neighborhood Improvement Area Improvements, subject to the approval of the City Council. Should that occur, then in association with issuing Future Neighborhood Improvement Area Bonds, this Service and Assessment Plan will be amended to identify the Future Neighborhood Improvement Area Improvements as well as adding Table III-F.

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IV. FUTURE NEIGHBORHOOD IMPROVEMENT AREA BONDS TEST

A. FUTURE NEIGHBORHOOD IMPROVEMENT AREA BONDS

The City has reserved the right to issue Future Neighborhood Improvement Area Bonds for any purpose permitted by the Act, including those described above, and in accordance with the conditions set forth below:

1. At least seventy five percent (75%) of the residential lots within the particular Future Neighborhood Improvement Area of the PID for which Authorized Improvements are financed by the Future Neighborhood Improvement Area Bonds must be under contract with merchant builders unaffiliated with the Developer.
2. The ratio of the appraised value of all of the land in the particular Future Neighborhood Improvement Area of the PID, based on an independent appraisal and assuming completion of the improvements within such phase to be financed with the proceeds of the Future Neighborhood Improvement Area Bonds to be issued, to the principal amount of the Future Neighborhood Improvement Area Bonds to be issued must be at least 3.0:1;
3. Construction contracts for at least 50% of the costs of the Authorized Improvements in such Future Neighborhood Improvement Area to be paid with proceeds of the applicable series of Future Neighborhood Improvement Area Bonds must be executed and ready to proceed; and
4. Construction of residences in all previously financed Neighborhood Improvement Areas taken as a whole must be at least twenty five percent (25%) complete or underway.

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V. ASSESSMENT PLAN

A. INTRODUCTION

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

The proposed bond issuance program entails a series of PID Bond financings that are intended to finance the Authorized Improvements required for the Project. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement Bonds issued in 2015, and the Neighborhood Improvement Areas #2-3 Bonds issued in 2019, the Neighborhood Improvement Area #4 Bonds, and Future Neighborhood Improvement Area Bonds may be issued over the upcoming decade as the subsequent neighborhood improvement areas are added (NIA #5A, each corresponding to a Future Neighborhood Improvement Area) of the development are gradually constructed.

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

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of PID Bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt load at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements can be reimbursed by a subsequent parity lien bond financing, secured by the same assessments, once the assessed property is partially or fully developed and the value has increased sufficiently to permit the issuance of the additional bonds in a prudent fashion.

It is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Neighborhood Improvement Areas will receive from internal subdivision Authorized Improvements that will benefit each individual Future Neighborhood Improvement Area and that are to be financed with Future Neighborhood Improvement Area Bonds. Therefore, Parcels within Neighborhood Improvement Areas #2-5 were initially assessed for the special benefits conferred upon the Parcel because of the Major Improvements.

In connection with the levying of additional Assessments on Future Neighborhood Improvement Area Assessed Property, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel within a Future Neighborhood Improvement Area receives from the specific Authorized Improvements. Prior to levying an additional Assessment on a Parcel located within Future Neighborhood Improvement Areas, 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 Neighborhood Improvement Areas #2-5 Major Improvements, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements, Neighborhood Improvement Area #3 Improvements, Neighborhood Improvement Area #4 Improvements, and Neighborhood Improvement Area #5A Improvements (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Neighborhood Improvement Area #1 Assessed Property, the Neighborhood Improvement Area #2 Assessed Property, the Neighborhood Improvement Area #3 Assessed Property, the Neighborhood Improvement Area #4 Assessed Property, the Neighborhood Improvement Area #5A Assessed Property, and the Neighborhood Improvement Areas #2-5 Assessed Property for such Authorized Improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Neighborhood Improvement Area #2-5 Major Improvements, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements, Neighborhood Improvement Area #3 Improvements, Neighborhood Improvement Area #4 Improvements, and Neighborhood Improvement Area #5A Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such Authorized Improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

B. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #1

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #1, and these costs are allocated 100% to Neighborhood Improvement Area #1. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #1 are shown in Table V-A.1. The costs detailed in Table V-A.1 are subject to revision through the Annual Service Plan Updates.

C. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #2

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #2, and these costs are allocated 100% to Neighborhood Improvement Area #2. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A.2. The Actual Costs detailed in Table V-A.2 are subject to revision through the Annual Service Plan Updates.

D. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #3

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #3, and these costs are allocated 100% to Neighborhood Improvement Area #3. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A.3. The Actual Costs detailed in Table V-A.3 are subject to revision through the Annual Service Plan Updates.

E. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #4

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #4, and these costs are allocated 100% to Neighborhood Improvement Area #4. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #4 are shown in Table V-A.4. The costs detailed in Table V-A.4 are subject to revision through the Annual Service Plan Updates.

F. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #5A

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #5A, and these costs are allocated 100% to Neighborhood Improvement Area #5A. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #5A are shown in Table V-A.5. The costs detailed in Table V-A.5 are subject to revision through the Annual Service Plan Updates.

G. ALLOCATION OF COSTS OF MAJOR IMPROVEMENTS

The Major Improvements provide special benefit to all Assessed Property within the PID, and these costs are allocated between Neighborhood Area #1 and Neighborhood Improvement Areas #2-5 based on the estimated As-Built Assessed Value. The Actual Costs of the Major Improvements are shown in Table V-A.1. The Actual Costs detailed in Table V-A.1 are subject to revision through the Annual Service Plan Updates

H. ALLOCATION OF COSTS RELATING TO ISSUANCE OF PID BONDS

The costs relating to the issuance of the Neighborhood Improvement Area #1 Bonds are allocated 100% to Neighborhood Improvement Area #1 Assessed Property. The costs relating to issuing Neighborhood Improvement Area #2-5 Major Improvement Bonds are allocated 100% to Neighborhood Improvement Areas #2-5. The costs relating to the issuance of the Neighborhood Improvement Areas #2-3 Bonds are allocated 100% to Neighborhood Improvement Area #2 Assessed Property and the Neighborhood Improvement Area #3 Assessed Property. The costs related to the issuance of the Neighborhood Improvement Area #4 Bonds are allocated 100% to Neighborhood Improvement Area #4 Assessed. Any costs associated with a Future Neighborhood Improvement Area Bond will be allocated 100% to that Future Neighborhood Improvement Area.

I. ALLOCATION OF ACTUAL COSTS OF FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS

As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to reflect allocation of the cost of Authorized Improvements benefitting the Future Neighborhood Improvement Area.

J. INCORPORATION BY REFERENCE

The Recitals to this amended and restated Service and Assessment Plan are hereby incorporated by reference as if set forth in the body of this amended and restated Service and Assessment Plan and are made a part hereof for all purposes.

The Actual Costs of the Neighborhood Improvement Area #1 Improvements and the Neighborhood Improvement Areas #2-5 Improvements that provide a benefit to Neighborhood Improvement Area #1 and Neighborhood Improvement Areas #2-5 are shown in Table V-A.1 on the following page.

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Table V-A.1
Allocation of Authorized Improvement Costs

	Total Costs (a)	Neighborhood Improvement Area #1		Neighborhood Improvement Areas #2-5	
		% Allocation	Share of Costs	% Allocation	Share of Costs
MAJOR IMPROVEMENTS					
Detention Ponds (b)	\$1,713,240	20.81%	\$356,525	79.19%	\$1,356,714
Paving Road A - Fenwick (b)	\$1,757,332	20.81%	\$365,701	79.19%	\$1,391,631
Paving Road F - Sutton Fields (b)	\$1,329,016	20.81%	\$276,568	79.19%	\$1,052,447
Paving - FM 1385	\$473,345	20.81%	\$98,503	79.19%	\$374,842
1/2 Crutchfield Road (b)	\$1,016,121	20.81%	\$211,455	79.19%	\$804,666
ROW and Open Space Acquisition	\$6,500,000	20.81%	\$1,352,650	79.19%	\$5,147,350
Boleyn Paving - Road B (b)	\$262,789	20.81%	\$54,686	79.19%	\$208,103
Offsite Water	\$1,015,695	20.81%	\$211,366	79.19%	\$804,329
Offsite Sewer (b)	\$2,807,208	20.81%	\$584,180	79.19%	\$2,223,028
Professional consulting and legal fees	\$620,000	20.81%	\$129,022	79.19%	\$490,978
A	\$17,494,746		\$3,640,657		\$13,854,089
AUTHORIZED IMPROVEMENTS ONLY BENEFITTING NEIGHBORHOOD IMPROVEMENT AREA #1					
Water Improvements	\$1,484,079	100%	\$1,484,079	0%	\$0
Sewer Improvements	\$1,327,844	100%	\$1,327,844	0%	\$0
Storm Sewer Improvements	\$2,563,601	100%	\$2,563,601	0%	\$0
Roadway Improvements	\$3,627,916	100%	\$3,627,916	0%	\$0
B	\$9,003,440		\$9,003,440		\$0
Subtotal - Major Improvements + Neighborhood Area #1 Improvements	C=A+B	\$26,498,186	\$12,644,096		\$13,854,089
NEIGHBORHOOD IMPROVEMENT AREAS #2-5 BOND COSTS					
Debt Service Reserve Fund	\$1,430,125	0%	\$0	100%	\$1,430,125
Capitalized Interest	\$2,398,264	0%	\$0	100%	\$2,398,264
Cost of Issuance	\$1,179,750	0%	\$0	100%	\$1,179,750
Underwriter's Discount	\$437,266	0%	\$0	100%	\$437,266
D	\$5,445,405		\$0		\$5,445,405
NEIGHBORHOOD IMPROVEMENT AREA #1 BOND COSTS					
Debt Service Reserve Fund	\$978,100	100%	\$978,100	0%	\$0
Capitalized Interest	\$1,448,051	100%	\$1,448,051	0%	\$0
Cost of Issuance	\$871,556	100%	\$871,556	0%	\$0
Underwriter's Discount	\$300,434	100%	\$300,434	0%	\$0
E	\$3,598,141		\$3,598,141		\$0
Subtotal – Neighborhood Improvement Areas #2-5 Bond Cost + Neighborhood Improvement Area #1 Bond Cost	F=D+E	\$9,043,546	\$3,598,141		\$5,445,405
TOTAL AUTHORIZED IMPROVEMENTS	G=C+F	\$35,541,732	\$16,242,238		\$19,299,494

(a) See also Table III-A.

(b) The costs shown are updated from what was presented in the original SAP. City Council has allowed the cost overruns to be included in the NIA #2-5 Actual Cost, but the cost overruns are not permitted in the NIA #1 Actual Cost and will be covered by the Developer.

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

The Actual Costs of the Neighborhood Improvement Area #2 Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A.2 below.

Table V-A.2
Allocation of NIA #2 Improvement Costs

		Neighborhood Improvement Area #2	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #2			
Roadway improvements	\$1,699,596	100%	\$1,699,596
Water distribution improvements	\$447,989	100%	\$447,989
Sewer collection improvements	\$459,689	100%	\$459,689
Storm Sewer collection improvements	\$850,638	100%	\$850,638
Other soft and miscellaneous costs	\$770,204	100%	\$770,204
Total NIA #2 Improvements	\$4,228,116		\$4,228,116

(a) See Table III-B for details.

The Actual Costs of the Neighborhood Improvement Area #3 Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A.3 below.

Table V-A.3
Allocation of NIA #3 Improvement Costs

		Neighborhood Improvement Area #3	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #3			
Roadway improvements	\$2,437,225	100%	\$2,437,225
Water distribution improvements	\$697,756	100%	\$697,756
Sewer collection improvements	\$629,868	100%	\$629,868
Storm Sewer collection improvements	\$1,962,024	100%	\$1,962,024
Other soft and miscellaneous costs	\$988,693	100%	\$988,693
Total NIA #3 Improvements	\$6,715,566		\$6,715,566

(a) See Table III-C for details.

The estimated costs of the Neighborhood Improvement Area #4 Improvements that only provide a benefit to Neighborhood Improvement Area #4 are shown in Table V-A.4 on the following page.

Table V-A.4
Allocation of NIA #4 Improvement Costs

		Neighborhood Improvement Area #4	
	Total Costs (a)	% Allocation	Share of Costs
Authorized Improvements Only Benefitting Neighborhood Improvement Area #4			
Roadway improvements	\$2,286,637	100%	\$2,286,637
Water distribution improvements	\$753,549	100%	\$753,549
Sewer collection improvements	\$1,294,285	100%	\$1,294,285
Storm Sewer collection improvements	\$1,443,748	100%	\$1,443,748
Other soft and miscellaneous costs	\$0	100%	\$0
Total NIA #4 Improvements	\$5,778,220		\$5,778,220

(a) See Table III-D for details.

The estimated costs of the Neighborhood Improvement Area #5A Improvements that only provide a benefit to Neighborhood Improvement Area #5A are shown in Table V-A.5 below.

Table V-A.5
Allocation of NIA #5A Improvement Costs

		Neighborhood Improvement Area #5A	
	Total Costs (a)	% Allocation	Share of Costs
Authorized Improvements Only Benefitting Neighborhood Improvement Area #5A			
Roadway improvements	\$3,325,589	100%	\$3,325,589
Water distribution improvements	\$970,144	100%	\$970,144
Sewer collection improvements	\$959,493	100%	\$959,493
Storm Sewer collection improvements	\$1,107,463	100%	\$1,107,463
Other soft and miscellaneous costs	\$4,072,657	100%	\$4,072,657
Total NIA #5A Improvements	\$10,435,347		\$10,435,347

(a) See Table III-E for details.

K. DETERMINATION OF SPECIAL BENEFIT AND ASSESSMENTS

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 City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

Neighborhood Improvement Area #1

- a) The Neighborhood Improvement Area #1 Improvement costs allocated to Neighborhood Improvement Area #1 equals \$16,242,238; and
- b) The Neighborhood Improvement Area #1 Assessed Property receives special benefit from the Neighborhood Improvement Area #1 Improvements; and
- c) The Neighborhood Improvement Area #1 Initial Parcel consists of all property in Neighborhood Improvement Area #1, therefore the Neighborhood Improvement Area #1 Initial Parcel was allocated 100% of the Neighborhood Improvement Area #1 Assessments, which equal \$11,560,000 as shown on the Neighborhood Improvement Area #1 Assessment Roll attached hereto as Appendix D. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #1 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #1 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #1 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-B.

Table V-B
Neighborhood Improvement Area #1 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #1 Improvements (a)	\$12,644,097
Reserve Fund	\$978,100
Capitalized Interest	\$1,448,051
Cost of Issuance (b)	\$871,556
Underwriter's Discount/Underwriter's Counsel	\$300,434
<i>Subtotal Special Benefit</i>	<i>\$16,242,238</i>
Assessments	
Assessments securing Neighborhood Improvement Area #1 Bonds	\$11,560,000
Excess Benefits	\$4,682,238

(a) See Table V-A.1 for details

(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

Neighborhood Improvement Areas #2-5

- a) The Neighborhood Improvement Areas #2-5 Improvement costs allocated to Neighborhood Improvement Areas #2-5 equals \$19,299,355; and
- b) The Neighborhood Improvement Areas #2-5 Assessed Property receives special benefit from the Neighborhood Improvement Areas #2-5 Improvements; and

- c) The Neighborhood Improvement Areas #2-5 Initial Parcel consists of all property in Neighborhood Improvement Areas #2-5, therefore the Neighborhood Improvement Areas #2-5 Initial Parcel was allocated 100% of the Neighborhood Improvement Areas #2-5 Assessments, which equal \$16,825,000 as shown on the Neighborhood Improvement Areas #2-5 Assessment Roll attached hereto as Appendix E; and
- d) The Neighborhood Improvement Areas #2-5 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Areas #2-5 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-C below.

Table V-C
Neighborhood Improvement Areas #2-5 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2-5 Improvements (a)	\$13,854,089
Reserve Fund	\$1,430,125
Capitalized Interest	\$2,398,125
Cost of Issuance (b)	\$1,179,750
Underwriter's Discount/Underwriter's Counsel	\$437,266
<i>Subtotal Special Benefit</i>	<i>\$19,299,355</i>
Assessments	
Assessments securing Neighborhood Improvement Area #2-5 Bonds	\$16,825,000
Excess Benefits	\$2,474,355

(a) See Table V-A.1 for details

(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

Neighborhood Improvement Area #2

- a) The Actual Costs of the Neighborhood Improvement Area #2 Improvements allocated to Neighborhood Improvement Area #2 equals \$4,228,116; and
- b) The Neighborhood Improvement Area #2 Assessed Property receives special benefit from the Neighborhood Improvement Area #2 Improvements; and
- c) The Neighborhood Improvement Area #2 Initial Parcel initially consisted of all property in Neighborhood Improvement Area #2, therefore the Neighborhood Improvement Area #2 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) was allocated 100% of the Neighborhood Improvement Area #2 Assessments, which equal \$1,905,000 as shown on the Neighborhood Improvement Area #2 Assessment Roll attached hereto as Appendix F. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #2 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and

- d) The Neighborhood Improvement Area #2 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #2 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-D below.

Table V-D
Neighborhood Improvement Area #2 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2 Improvements (a)	\$4,228,116
Reserve Fund	\$164,967
Capitalized Interest	\$0
Cost of Issuance	\$110,529
Underwriter's Discount/Underwriter's Counsel	\$57,150
<i>Subtotal Special Benefit</i>	<i>\$4,560,762</i>
Assessments	
Assessments securing Neighborhood Improvement Areas #2-3 Bonds	\$1,905,000
Excess Benefits	\$2,655,762

(a) See Table V-A.2 for details

Neighborhood Improvement Area #3

- a) The Actual Costs of the Neighborhood Improvement Area #3 Improvements allocated to Neighborhood Improvement Area #3 equals \$6,715,566; and
- b) The Neighborhood Improvement Area #3 Assessed Property receives special benefit from the Neighborhood Improvement Area #3 Improvements; and
- c) The Neighborhood Improvement Area #3 Initial Parcel consists of all property in Neighborhood Improvement Area #3, therefore the Neighborhood Improvement Area #3 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) was allocated 100% of the Neighborhood Improvement Area #3 Assessments, which equal \$4,450,000 as shown on the Neighborhood Improvement Area #3 Assessment Roll attached hereto as Appendix G. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #3 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #3 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #3 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-E on the following page.

Table V-E
Neighborhood Improvement Area #3 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #3 Improvements (a)	\$6,715,566
Reserve Fund	\$385,357
Capitalized Interest	\$360,710
Cost of Issuance	\$241,471
Underwriter's Discount/Underwriter's Counsel	\$133,500
<i>Subtotal Special Benefit</i>	<i>\$7,836,604</i>
Assessments	
Assessments securing Neighborhood Improvement Areas #2-3 Bonds	\$4,450,000
Excess Benefits	\$3,386,604

(a) See Table V-A.3 for details

Neighborhood Improvement Area #4

- a) The estimated costs of the Neighborhood Improvement Area #4 Improvements allocated to Neighborhood Improvement Area #4 equals \$5,778,220; and
- b) The Neighborhood Improvement Area #4 Assessed Property receives special benefit from the Neighborhood Improvement Area #4 Improvements; and
- c) The Neighborhood Improvement Area #4 Initial Parcel consists of all property in Neighborhood Improvement Area #4, therefore the Neighborhood Improvement Area #4 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #4 Assessments, which equal \$4,000,000 as shown on the Neighborhood Improvement Area #4 Assessment Roll attached hereto as Appendix H. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #4 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #4 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #4 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-F on the following page.

Table V-F
Neighborhood Improvement Area #4 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #4 Improvements (a)	\$5,778,220
Reserve Fund	\$360,210
Capitalized Interest	\$184,400
Cost of Issuance	\$280,000
Underwriter's Discount/Underwriter's Counsel	\$120,000
<i>Subtotal Special Benefit</i>	<i>\$6,722,830</i>
Assessments	
Assessments securing Neighborhood Improvement Area #4 Bonds	\$4,000,000
Excess Benefits	\$2,722,830

(a) See Table V-A.4 for details

At the time the City Council approved the SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The City Council has determined that funding the Actual Costs through the PID is beneficial to the City. The Authorized Improvements result in a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Assessment. This conclusion is supported by the information provided to the City Council regarding the PID.

Neighborhood Improvement Area #5A

- a) The estimated costs of the Neighborhood Improvement Area #5A Improvements allocated to Neighborhood Improvement Area #5A equals \$10,435,347; and
- b) The Neighborhood Improvement Area #5A Assessed Property receives special benefit from the Neighborhood Improvement Area #5A Improvements; and
- c) The Neighborhood Improvement Area #5A Initial Parcel consists of all property in Neighborhood Improvement Area #5A, therefore the Neighborhood Improvement Area #5A Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #5A Assessments, which equal \$4,417,000 as shown on the Neighborhood Improvement Area #5A Assessment Roll attached hereto as Appendix I. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #5A is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and

- d) The Neighborhood Improvement Area #5A Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #5A Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-G below.

Table V-G
Neighborhood Improvement Area #5A Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #5A Improvements (a)	\$10,435,347
Reserve Fund	\$0
Capitalized Interest	\$0
Cost of Issuance	\$0
Underwriter's Discount/Underwriter's Counsel	\$0
<i>Subtotal Special Benefit</i>	<i>\$10,435,347</i>
Assessments	
Assessments securing NIA #5A Reimbursement Agreement	\$4,417,000
Excess Benefits	\$6,018,347

(a) See Table V-A.5 for details

At the time the City Council approved the SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The City Council has determined that funding the Actual Costs through the PID is beneficial to the City. The Authorized Improvements result in a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Assessment. This conclusion is supported by the information provided to the City Council regarding the PID.

L. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, updates to the Assessment Rolls and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel or Lot (ii) the Assessment for each 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 VII.G of this Service and Assessment Plan.

The Service and Assessment Plan Update shall reflect the actual interest on the PID Bonds on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the PID Bonds and Developer funds.

M. FUTURE NEIGHBORHOOD IMPROVEMENT AREA ASSESSMENT ROLL

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Area #5B, etc.).

N. ASSESSMENTS AND ANNUAL INSTALLMENTS

The Assessments for the PID Bonds will be levied on each Parcel or Lot according to the Assessment Rolls. The Annual Installments for the PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

O. 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 Assessment Roll, which will be revised based on actual costs incurred in Annual Service Plan Updates. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administration Expenses.

P. ADDITIONAL INTEREST RATE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the PID Bonds by no more than one half of one percent (0.50%), (the “Additional Interest Rate”). For Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to the extent funds are available under the applicable Indenture, forty percent (40.0%) of the funds generated by the Excess Interest Rate (0.20%) will initially fund the Prepayment Reserve. For Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to the extent funds are available under the applicable Indenture, the remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (0.30%) will initially fund the Delinquency Reserve. For the Neighborhood Improvement Area #2-3 Bonds and the Neighborhood Improvement Area #4 Bonds, the funds generated by the Excess Interest Rate, (0.50%), will fund the Delinquency and Prepayment Reserve (as described in Section V.R herein) pursuant to the applicable indenture.

Q. PREPAYMENT RESERVE

As stated, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds are actually redeemed (“the Prepayment Reserve”). To the extent funds are available under the applicable Indenture, each Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, but in no event will the annual collections be more than 0.20% higher than the actual interest rate paid on the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds. If the PID Act is subsequently amended to allow prepayment of an Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds payments to be charged upon the prepayment of the Assessment, the 0.20% allocated to fund the associated interest charged between the date of prepayment of the Assessment and the date on which Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds are actually prepaid may be eliminated. If in a given year the additional reserve is fully funded at 1.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, respectively, the City and the Developer can allocate the Prepayment Reserve Component of the Excess Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the applicable Indenture.

R. DELINQUENCY RESERVE

To the extent funds are available under the applicable Trust Indenture, each additional delinquency reserve (the “Delinquency Reserve”) shall be funded each year up to 4.0% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% higher than the actual interest rate paid on the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, respectively. If in a given year the additional reserve is fully funded at 5.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, the City and the Developer shall allocate the Delinquency Reserve component of the Excess Interest Rate collected to the redemption of Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds as set forth in the applicable Indenture.

S. DELINQUENCY AND PREPAYMENT RESERVE

With respect to the Neighborhood Improvement Areas #2-3 Bonds, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which and Neighborhood Improvement Areas #2-3 Bonds are actually redeemed and to offset any possible delinquent payments. To the extent funds are available under the applicable Trust Indenture, this additional reserve for Neighborhood Improvement Areas #2-3 Bonds (the “Delinquency and Prepayment Reserve”) shall be funded each year up to 5.5% of the par amount of the Neighborhood Improvement Areas #2-3 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, the City shall will designate such Excess Interest Rate collected for the redemption of Neighborhood Improvement Areas #2-3 Bonds as set forth in the applicable Indenture.

With respect to the Neighborhood Improvement Area #4 Bonds, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which and Neighborhood Improvement Area #4 Bonds are actually redeemed and to offset any possible delinquent payments. To the extent funds are available under the applicable Trust Indenture, this additional reserve for Neighborhood Improvement Area #4 Bonds (the “Delinquency and Prepayment Reserve”) shall be funded each year up to 5.5% of the par amount of the 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 Area #4 Bonds, the City shall will designate such Excess Interest Rate collected for the redemption of Neighborhood Improvement Area #4 Bonds as set forth in the applicable Indenture.

T. TIRZ CREDIT

The City has agreed to use TIRZ Revenues from TIRZ No. 4 generated from property within Neighborhood Improvement Area #1 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Area #1 Assessed Property and has agreed to use TIRZ Revenues from TIRZ No. 8 generated from property within Neighborhood Improvement Areas #2-5 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Areas #2-5 Assessed Property, respectively (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel.

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VI. SERVICE PLAN

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 financed with the Neighborhood Improvement Areas #2-5 Major Improvement Bonds and the Neighborhood Improvement Area #1 Improvements financed with the Neighborhood Improvement Area #1 Bonds have been constructed and accepted by the City. The Neighborhood Improvement Area #2 Improvements have been constructed and accepted by the City. The Neighborhood Improvement Area #3 Improvements have been constructed and accepted by the City. It is anticipated that it will take approximately 6 months for the Neighborhood Improvement Area #4 Improvements to be constructed. It is anticipated that it will take approximately 12 months for the Neighborhood Improvement Area #5A Improvements to be constructed. 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 to as an “Annual Service Plan Update.”

The projected Annual Installments for the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement 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, and the Neighborhood Improvement Area #5A Reimbursement Agreement, are shown on Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I, respectively. The projected annual installments are subject to revision and shall be updated in the Annual Service Plan Update as necessary.

The Actual Costs for Neighborhood Improvement Area #1 Improvements plus the 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 \$16,242,238 as shown in Table VI-A. The Actual Costs for Neighborhood Improvement Areas #2-5 Major Improvements plus costs related to the issuance of the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is \$19,299,494 as shown in Table VI-A on the following page

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Table VI-A
Sources and Uses of Funds – NIA #1 and NIA #2-5

Sources of Funds	Neighborhood Improvement Area #1	Neighborhood Improvement Area #2-5
Gross Bond Amount	\$11,560,000	\$16,825,000
Developer's Advance (a)	\$2,581,645	\$437,266
Other funding sources (b)	\$2,100,592	\$2,037,228
Total Sources	\$16,242,238	\$19,299,494
Uses of Funds		
Authorized Improvements (c)	\$12,644,097	\$13,854,089
Debt Service Reserve Fund	\$978,100	\$1,430,125
Capitalized Interest	\$1,448,051	\$2,398,264
Costs of Issuance	\$871,556	\$1,179,750
Underwriter's Discount	\$300,434	\$437,266
Total Uses	\$16,242,238	\$19,299,494

(a) The amounts represent the Developer deposits at the time of bond issuance.

(b) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the bond proceeds and Developer deposits at bond closing.

(c) See Table V-A for details.

The Actual Costs for Neighborhood Improvement Area #2 Improvements and the Neighborhood Improvement Area #3 Improvements plus the costs related to the issuance of the Neighborhood Improvement Area #2-3 Bonds is \$12,118,963 as shown in Table VI-B on the following page.

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Table VI-B
Sources and Uses of Funds – NIA #2 and NIA #3

Sources of Funds	Neighborhood Improvement Area #2	Neighborhood Improvement Area #3	Total
Neighborhood Improvement Areas #2-3 Bond Amount	\$1,905,000	\$4,450,000	\$6,355,000
Other funding sources (a)	\$2,655,762	\$3,108,201	\$5,763,963
Total Sources	\$4,560,762	\$7,558,201	\$12,118,963
Uses of Funds			
Authorized Improvements (b)	\$4,228,116	\$6,437,163	\$10,665,279
Debt Service Reserve Fund	\$164,967	\$385,357	\$550,324
Capitalized Interest	\$0	\$360,710	\$360,710
Costs of Issuance	\$110,529	\$241,471	\$352,000
Underwriter's Discount	\$57,150	\$133,500	\$190,650
Total Uses	\$4,560,762	\$7,558,201	\$12,118,963

(a) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the Neighborhood Improvement Areas #2-3 Bond proceeds and Developer deposits at bond closing.

(b) See Table V-D and Table V-E for details.

The estimated costs for Neighborhood Improvement Area #4 Improvements plus the costs related to the issuance of the Neighborhood Improvement Area #4 Bonds is \$6,722,830 as shown in Table VI-C on the following page.

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Table VI-C
Sources and Uses of Funds – NIA #4

Sources of Funds	Neighborhood Improvement Area #4
Neighborhood Improvement Area #4 Bond Amount	\$4,000,000
Other funding sources (a)	\$2,722,830
Total Sources	\$6,722,830
Authorized Improvements (b)	\$5,778,220
Debt Service Reserve Fund	\$360,210
Capitalized Interest	\$184,400
Costs of Issuance	\$280,000
Underwriter's Discount	\$120,000
Total Uses	\$6,722,830

(a) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the Neighborhood Improvement Area #4 Bond proceeds and Developer deposits at bond closing.

(b) See Table V-F for details.

The estimated costs for Neighborhood Improvement Area #4 Improvements is shown in Table VI-C below.

Table VI-D
Sources and Uses of Funds – NIA #5A

Sources of Funds	Total
Neighborhood Improvement Area #5A Reimbursement Agreement	\$4,417,000
Other funding sources (a)	\$6,018,347
Total Sources	\$10,435,347
Uses of Funds	
Authorized Improvements (b)	\$10,435,347
Total Uses	\$10,435,347

(a) The other funding sources represent projected costs of Neighborhood Improvements Area #5A to be funded by the Developer in excess of the Assessments for Neighborhood Improvements Area #5A.

(b) See Table V-F for details.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Areas #2-5 and Neighborhood Improvement Area #1 is shown by Table VI-E. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-E
Annual Projected Costs and Annual Projected Indebtedness – NIA #2-5 and NIA #1

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #2-5 Projected Annual Installments	NIA #1 Projected Annual Installments
2019 & Prior	\$35,541,732	\$28,385,000	\$7,156,732	\$3,531,274	\$2,370,798
2020	\$0	\$0	\$0	\$1,798,848	\$1,097,110
2021	\$0	\$0	\$0	\$1,796,497	\$1,095,984
2022	\$0	\$0	\$0	\$1,796,973	\$1,094,108
2023	\$0	\$0	\$0	\$1,794,836	\$1,096,483
2024	\$0	\$0	\$0	\$1,790,088	\$1,097,723
2025	\$0	\$0	\$0	\$1,798,848	\$1,097,826
Total	\$35,541,732	\$28,385,000	\$7,156,732	\$14,307,364	\$8,950,032

The annual projected costs shown in Table VI-E are the annual expenditures relating to the Authorized Improvements shown in Table III-A, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.1. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Areas #2-3 is shown by Table VI-F. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-F
Annual Projected Costs and Annual Projected Indebtedness - NIA #2-3

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #2 Projected Annual Installments	NIA #3 Projected Annual Installments
2019 & Prior	\$12,118,963	\$6,355,000	\$5,763,963	\$0	\$0
2020	\$0	\$0	\$0	\$144,563	\$196,967
2021	\$0	\$0	\$0	\$114,277	\$245,994
2022	\$0	\$0	\$0	\$114,448	\$261,694
2023	\$0	\$0	\$0	\$114,627	\$261,714
2024	\$0	\$0	\$0	\$114,814	\$261,749
2025	\$0	\$0	\$0	\$144,563	\$261,798
Total	\$12,118,963	\$6,355,000	\$5,763,963	\$747,292	\$1,489,916

The annual projected costs shown in Table VI-F are the annual expenditures relating to the Authorized Improvements shown in Tables III-B and III-C, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.2 and Table V-

A.3. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Area #4 Bonds is shown by Table VI-G below. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-G
Annual Projected Costs and Annual Projected Indebtedness - NIA #4

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #4 Projected Annual Installments
2021	\$6,722,830	\$4,000,000	\$2,722,830	\$209,400
2022	\$0	\$0	\$0	\$244,400
2023	\$0	\$0	\$0	\$244,845
2024	\$0	\$0	\$0	\$250,303
2025	\$0	\$0	\$0	\$250,520
2026	\$0	\$0	\$0	\$250,752
2027	\$0	\$0	\$0	\$250,999
Total	\$6,722,830	\$4,000,000	\$2,722,830	\$1,701,219

The annual projected costs shown in Table VI-G are the annual expenditures relating to the Authorized Improvements shown in Table III-D, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.4. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Area #5A Reimbursement Agreement is shown by Table VI-H on the following page. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-H
Annual Projected Costs and Annual Projected Indebtedness - NIA #5A

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #5A Projected Annual Installments
2021	\$10,435,347	\$4,417,000	\$6,018,347	\$234,357
2022	\$0	\$0	\$0	\$245,007
2023	\$0	\$0	\$0	\$245,213
2024	\$0	\$0	\$0	\$245,432
2025	\$0	\$0	\$0	\$245,665
2026	\$0	\$0	\$0	\$245,912
2027	\$0	\$0	\$0	\$246,172
Total	\$10,435,347	\$4,417,000	\$6,018,347	\$1,707,758

The annual projected costs shown in Table VI-H are the annual expenditures relating to the Authorized Improvements shown in Table III-E, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.5. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

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VII. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #1 is shown on the Neighborhood Improvement Area #1 Assessment Roll, attached as Appendix D, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Area #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, and to cover Administrative Expenses of Neighborhood Improvement Area #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel in Neighborhood Improvement Area #1. The TIRZ Credit for each Parcel shall be as described in Section V.N, and shall be as provided for in Section VII.C below:

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREAS #2-5

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Areas #2-5 are shown on the Neighborhood Improvement Areas #2-5 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, to cover Administrative Expenses of Neighborhood Improvement Areas #2-5.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, NEIGHBORHOOD IMPROVEMENT AREA #4, AND NEIGHBORHOOD IMPROVEMENT AREA #5A

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Areas #2-3 Bonds and to cover Administrative Expenses of Neighborhood Improvement Area #2.

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Areas #2-3 Bonds, and to cover Administrative Expenses of Neighborhood Improvement Area #3.

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #4 Bonds, and to cover Administrative Expenses of Neighborhood Improvement Area #4.

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #5A are shown on the Neighborhood Improvement Area #5A Assessment Roll, attached as Appendix I, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #5A Reimbursement Agreement, and to cover Administrative Expenses of Neighborhood Improvement Area #5A.

D. TIRZ CREDIT FOR PARCELS LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #1

The Annual Installment for each Parcel in Neighborhood Improvement Area #1 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Area #1 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 4 in the preceding year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020).

E. TIRZ CREDIT FOR PARCELS LOCATED IN NEIGHBORHOOD IMPROVEMENT AREAS #2-5

The Annual Installment for each Parcel in Neighborhood Improvement Areas #2-5 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Areas #2-5 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 8 in the preceding year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020).

F. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE NEIGHBORHOOD IMPROVEMENT AREAS

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Area #5B, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

G. 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 As-Built Assessed Value of the new divided Assessed Property

D = the sum of the As-Built Assessed Value for all of the new divided Assessed Properties

The calculation of the As-Built Assessed 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 Denton County, Texas, and any other relevant source 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 As-Built Assessed Value of all new subdivided Lots with same Lot Type

D = the sum of the estimated As-Built Assessed 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 As-Built Assessed 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.

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.

H. MANDATORY PREPAYMENT OF ASSESSMENTS

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

I. REDUCTION OF 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 Assessments securing such series of PID Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of PID Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.
2. If all the Authorized Improvements are not undertaken, resulting in excess PID Bond proceeds being available to redeem PID Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on 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 Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the 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 Assessments securing the PID Bonds, resulting in excess Bond proceeds, then the City Council may reduce the Assessment securing the PID Bonds for each Assessed Property on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. The 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 Assessment securing the PID Bonds for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The 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.

J. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs. If prepayment in full will result in redemption of PID Bonds, the payment amount shall be reduced from any proceeds from the Debt Service Reserve Fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of PID 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 upon payment.
- (c) Upon payment in full of an Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the related Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."
- (d) At the option of the Parcel owner, the Assessment on any Parcel may be paid in part in an amount equal to the amount of prepaid Assessments plus Prepayment Costs with respect thereto. Upon the payment of such amount 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. The partial Assessment payment will be used to redeem the bonds.

2. Payment of Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Annual Installment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Assessment and Administrative Expenses.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #1 in Appendix D and Neighborhood Improvement Areas #2-5 in Appendix E have been calculated using an interest rate on the Neighborhood Improvement Area #1 Bonds of 7.25% and an interest rate on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds of 8.25%, respectively.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #2 in Appendix F and Neighborhood Improvement Areas #3 in Appendix G have been calculated using an interest rate of 4.125% for the Neighborhood Improvement Area #2-3 Bonds maturing through 2039 and an interest rate of 4.250% for the Neighborhood Improvement Area #2-3 Bonds maturing after 2039.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #4 in Appendix H have been calculated using an estimated interest rate of 4.61% for the Neighborhood Improvement Area #4 Bonds.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #5A in Appendix I have been calculated using an estimated interest rate of 4.57% for the Neighborhood Improvement Area #5A Reimbursement Agreement.

The Annual Installments shall be reduced to equal the actual costs of repaying the 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. If additional Assessments are levied on the Project by the City, the Annual Installments will be adjusted to reflect the changes.

The City reserves and shall have the right and option to refund the PID 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 Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding PID Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding PID Bonds, and such refunding PID Bonds shall constitute "PID Bonds" for purposes of this Service and Assessment Plan.

K. COLLECTION OF ANNUAL INSTALLMENTS

The Administrator shall, no less frequently than annually, prepare and submit to the City Council 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 for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the 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. 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 in the same manner and at the same time as ad valorem taxes. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the 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 Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated each September 1 and assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

Each Annual Installment for the Neighborhood Improvement Area #2 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #2 Improvements, or (ii) September 1, 2019, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #2 Annual Installments. Collection of the Annual Installment for the Neighborhood Improvement Area #2 Assessments commenced as of September 1, 2019.

Each Annual Installment for the Neighborhood Improvement Area #3 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #3 Improvements, or (ii) September 1, 2020, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #3 Annual Installments.] Collection of the Annual Installment for the Neighborhood Improvement Area #3 Assessments commenced with the issuance of the Neighborhood Improvement Areas #2-3 Bonds.

Each Annual Installment for the Neighborhood Improvement Area #4 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #4 Improvements, or (ii) September 1, 2021, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #4 Annual Installments. Collection of the Annual Installment for the Neighborhood Improvement Area #4 Assessments commenced with the issuance of the Neighborhood Improvement Area #4 Bonds.

Each Annual Installment for the Neighborhood Improvement Area #5A Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #5A Improvements, or (ii) September 1, 2021, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #5A Annual Installments.

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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 Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, must send a written notice describing the error to the City no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If an owner fails to give such notice, such owner 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 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 Property owner (except for the final year during which the Annual Installment 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 the 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 Assessment shall terminate on the date the Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the 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.

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, unless stated otherwise herein or in the Indenture, 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 Property 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 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 Service and Assessment Plan are declared to be severable for that purpose. In addition, the amendment and restatement to the Original SAP does not in any way affect the Assessment lien placed on the Assessed Property as part of the levy of Assessments for the Neighborhood Improvement Area #1 Improvements and the Neighborhood Improvement Area's #2-5 Improvements on November 10, 2015, the levy of Assessments for the Neighborhood Improvement Area #2 on August 28, 2018, the levy of Assessments for the Neighborhood Improvement Area #3 on September 10, 2019, the levy of Assessments for the Neighborhood Improvement Area #4 on July 14, 2020 or the initial levy of Assessments for the Neighborhood Improvement Area #5A.

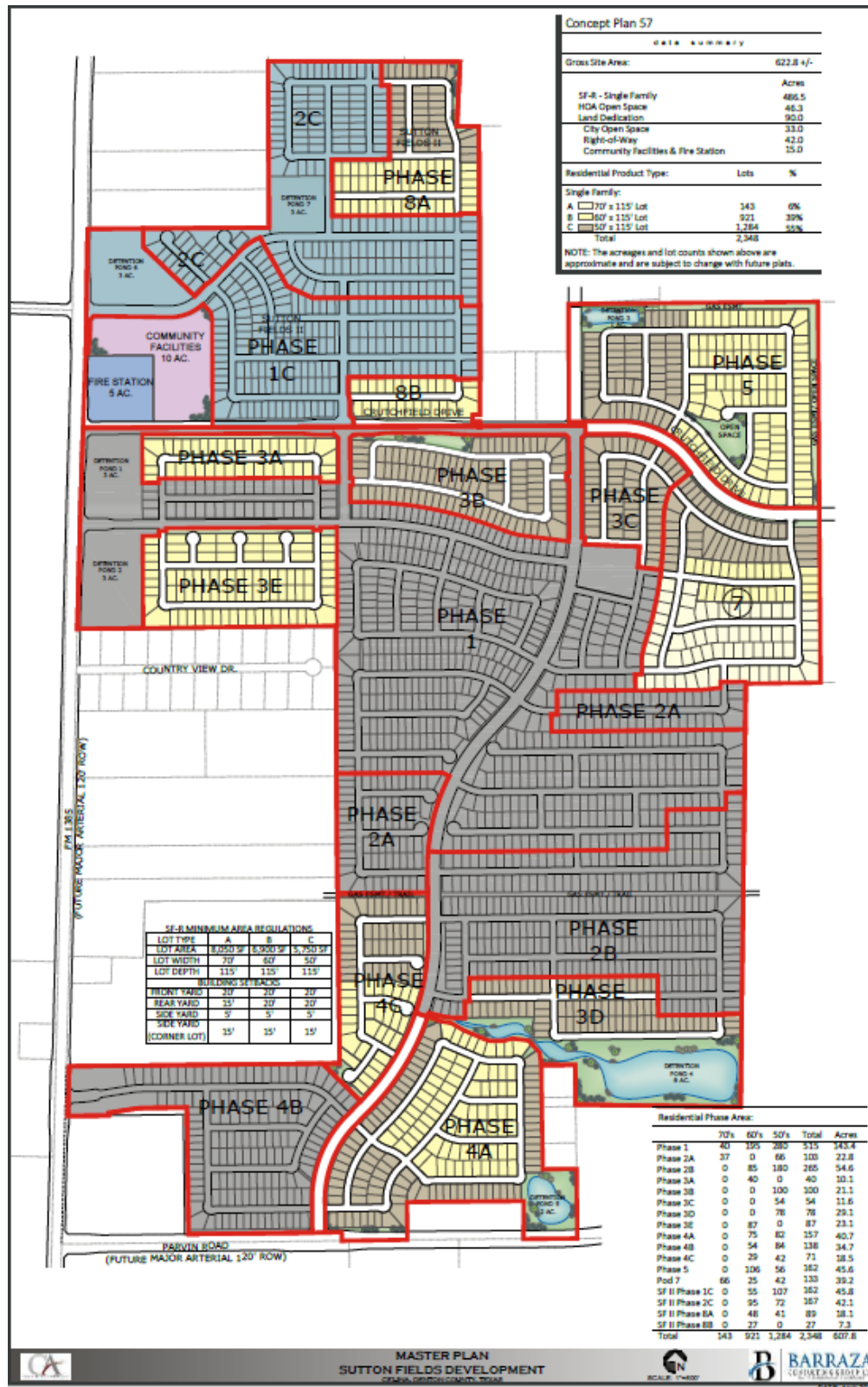
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the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

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APPENDIX A
UPDATED CONCEPT PLAN

APPENDIX A

Updated Concept Plan



APPENDIX B
LEGAL DESCRIPTIONS OF PARCELS

APPENDIX B

Legal Description of Parcels

622.779 ACRE TRACT

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, the Thomas H. McIntyre Survey, Abstract No. 903, the Thomas B. Cox Survey, Abstract No. 309, the Carrol Jackson Survey, Abstract No. 1546, the Jacob Rue Survey, Abstract No. 1109, and the Hiram Rue Survey, Abstract No. 1111, in Denton County, Texas, and being all of that certain tract of land described in deed to Denton County 128 Development LLC recorded in Document No. 2013-135475, of the Real Property Records of Denton County, Texas (RPRDCT), all of that certain tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT, all of those certain tracts of land described in deeds to Mike A. Myers Investment Holdings, L.P. recorded in Document No. 2005-33384, RPRDCT, Document No. 2007-53939 RPRDCT, and Document No. 2005-93340, RPRDCT, all of that certain tract of land described in deed to The Amanda S. Myers Irrevocable Asset Trust recorded in Document No. 2011-125051, RPRDCT, all of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, and part of that certain tract of land described in deed to Frisco Industrial Partners recorded in Document NO. 2008-66233, RPRDCT, and being more particularly described as follows;

BEGINNING at a 1/2 inch capped iron rod found, said iron rod being located on the east right-of-way line of Farm to Market (FM) Road No. 1385 (variable width R.O.W.), and also being the northwest corner of Countryview Addition, an addition to Denton County according to Final Plat recorded in Cabinet F, Page 267, of the Plat Records of Denton County, Texas;

THENCE North 01°28'19" East, with said east right-of-way line of FM No. 1385, a distance of 310.72 feet to a ½ inch iron rod found for corner, said iron rod being the northwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, and a southwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT;

THENCE North 01°22'30" East, continuing with the east right-of-way line of FM No. 1385, a distance of 204.07 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southwest corner of the aforementioned tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT;

THENCE North 01°32'20" East, continuing with the east right-of-way line of FM No. 1385, a distance of 455.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°55'54" East, continuing with the east right-of-way line of FM No. 1385, a distance of 446.59 feet to a 1/2 inch iron rod found for corner at the intersection of the east right-of-way line of FM No. 1385, and the approximate center of Crutchfield Road (undedicated public road), the northwest corner of said Tarsan Corporation tract, and the southwest corner of said Denton County 128 Development LLC tract;

THENCE North 89°43'38" East, continuing with the east right-of-way line of FM No. 1385, a distance of 2.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°41'28" East, continuing with the east right-of-way line of FM No. 1385, a distance of 606.35 feet to a point for corner;

THENCE North 00°48'41" East, continuing with the east right-of-way line of FM No. 1385, a distance of 797.78 feet to a 1/2 inch iron rod found for corner at the most westerly northwest corner of said Denton County 128 Development LLC tract;

THENCE North 89°34'28" East, leaving the east right-of-way line of FM No. 1385, and with the north line of said Denton County 128 Development LLC tract, a distance of 1280.69 feet to a 1/2 inch iron rod found for corner;

THENCE North 00°20'50" West, with a west line of said Denton County 128 Development LLC tract, a distance of 546.92 feet to a 5/8 inch iron rod found for corner;

THENCE North 00°25'58" West, with a west line of said Denton County 128 Development LLC tract, a distance of 553.08 feet to a 1/2 inch iron rod found for corner;

THENCE North 00°04'10" East, with a west line of said Denton County 128 Development LLC tract, a distance of 73.78 feet to a 1/2 inch iron rod found for corner at the most northerly northwest corner of said Denton County 128 Development LLC tract, and the most southerly southwest corner of that certain tract of land described in deed to Blue Angus Ranch, LP, recorded in Instrument No. 2007-107216, RPRDCT;

THENCE South 89°46'34" East, with the most northerly north line of said Denton County 128 Development LLC tract, and the most southerly south line of said Blue Angus Ranch, LP tract, a distance of 959.68 feet to a 3/8 inch iron rod found for corner at the most southerly southeasterly corner of said Blue Angus Ranch, LP tract, and a southwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2004-135532, RPRDCT;

THENCE South 89°47'07" East, continuing with the most northerly north line of said Denton County 128 Development LLC tract, and with a south line of said Fashand Farm, Ltd. tract, a distance of 395.15 feet to a 1/2 inch iron rod found for corner;

THENCE South 02°54'24" West, with an east line of said Denton County 128 Development LLC tract, and a west line of said Fashand Farm, Ltd. tract, a distance of 454.69 feet to a 1/2 inch iron rod found for corner;

THENCE North 89°30'36" East, with a north line of said Denton County 128 Development LLC tract, and a south line of said Fashand Farm, Ltd. tract, a distance of 156.62 feet to 1/2 inch iron rod found for corner located at a northeast corner of said Denton County 128 Development LLC tract, a southwest corner of said Fashand Farm, Ltd. tract, and also being the northwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2005-21653, RPRDCT;

THENCE South 00°08'58" East, with the most easterly east line of said Denton County 128 Development LLC tract, the west line of said Fashand Farm, Ltd. tract recorded in Document No. 2005-21653, RPRDCT, and the west line of that certain tract of land described in deed to Jan M. Paliwoda and Margaret Paliwoda recorded in Volume 4364, Page 1631, RPRDCT, a distance of 2034.69 feet to a 1/2 inch iron rod found for corner located at the northeast corner of that certain tract of land described in deed to SBA Towers IV, LLC recorded in Document No.

2013-94302, RPRDCT;

THENCE South 89°15'21" West, with the north line of said SBA Towers IV, LLC tract, a distance of 50.31 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°56'04" East, with the west line of said SBA Towers IV, LLC tract, a distance of 50.03 feet to a 1/2 inch iron rod found for corner;

THENCE North 89°12'39" East, with the south line of said SBA Towers IV, LLC tract, a distance of 49.92 feet to a 1/2 inch iron rod found for corner located on said most easterly east line of said

Denton County 128 Development LLC tract, and the west line of said Jan M. Paliwoda and Margaret Paliwoda tract;

THENCE South 01°18'28" East, with said most easterly east line of said Denton County 128 Development LLC tract, and the west line of the Jan M. Paliwoda and Margaret Paliwoda tract, a distance of 31.08 feet to a 1/2 inch iron rod found for corner located on said approximate center of Crutchfield Road, and being the southeast corner of said Denton County 128 Development LLC tract;

THENCE North 89°43'38" East, with said approximate center of Crutchfield Road, the north line of said Tarsan tract, and the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005- 33384, RPRDCT, a distance of 627.96 feet to a railroad spike found for corner at the northeast corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT;

THENCE North 00°08'37" West, continuing with the approximate center of Crutchfield Road, and with the west line of the aforementioned Amanda S. Myers Irrevocable Asset Trust tract, a distance of 858.91 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Amanda S. Myers Irrevocable Asset Trust tract, and the southwest corner of said Fashand Farm, Ltd. tract recorded in Document No. 2004-135532, RPRDCT;

THENCE North 89°30'51" East, continuing with the approximate center of Crutchfield Road, and with the north line of the Amanda S. Myers Irrevocable Asset Trust tract, a distance of 1759.29 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°23'19" East, with the east line of the Amanda S. Myers Irrevocable Asset Trust tract, and the west line of that certain tract of land described in deed to Smiley Road, Ltd. recorded in Document No. 2006-2064, RPRDCT, a distance of 2685.16 feet to a 5/8 inch iron rod found for corner;

THENCE South 89°13'31" West, with a line described in Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 527.69 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°41'45" West, with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 2985.21 feet to a 60d nail found in asphalt for corner, said nail being located in the approximate center of Parvin Road (undedicated public road);

THENCE North 89°11'44" West, with said approximate center of Parvin Road, and with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 1163.46 feet to a 3/8 inch iron rod found for corner;

THENCE North 00°42'55" West, leaving the approximate center of Parvin Road and with the west line of the Amanda S. Myers Irrevocable Asset Trust tract, the east line of that certain tract of land described in deed to Donald K. Estep and Sonja K. Estep recorded in Document No. 2011-67774, RPRDCT, and that certain tract of land described in deed to Donald Kenny Estep and Sonja Kay Estep recorded in Document No. 2001-99806, RPRDCT, a distance of 280.30 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°32'42" West, with a south line of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, a distance of 239.66 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 00°49'27" East, with an easterly line of said Kim Family Living Trust tract, the west line of said Estep tracts, and the west line of that certain tract of land described in deed to

Claude Adams and Kathleen Adams recorded in Document No. 2011-67775, RPRDCT, and the west line of that certain tract of land described in deed to David P. Brewer and Carolyn Brewer recorded in Document No. 2012-34990, RPRDCT, a distance of 734.88 feet to a 1/2 inch iron rod found for corner at the southwest corner of said Brewer tract, and an interior “ell” corner of the Kim Family Living Trust tract;

THENCE North 89°20’27” East, a distance of 238.85 feet to a 1/2 inch iron rod found for corner, said iron rod being located at the southeast corner of the Brewer tract, a northeast corner of the Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 00°32’10” East, with an easterly line of the Kim Family Living Trust tract, and said approximate center of Parvin Road, a distance of 490.79 feet to a 1/2 inch iron rod found for corner at the most southerly southeast corner of the Kim Family Living Trust tract;

THENCE South 89°26’22” West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, a distance of 378.96 feet to a nail in asphalt found for corner;

THENCE North 00°17’53” East, leaving the approximate center of Parvin Road, and with a west line of the Kim Family Living Trust tract, and the east line of that certain tract of land described in deed to John M. Cosper and Jackie Cosper recorded in Volume 626, Page 706, RPRDCT, passing at a distance of 27.73 feet a 5/8 inch iron rod in concrete found, continuing in all, a distance of 267.98 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner, from which a 5/8 inch iron rod in concrete found bears South 00°17’53” West, a distance of 2.99 feet;

THENCE South 89°25’59” West, with a south line of the Kim Family Living Trust tract, and the north line of the Cosper tract, a distance of 824.19 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°39’57” East, with the west line of the Cosper tract, and an easterly line of the Kim Family Living Trust tract, passing at a distance of 244.64 feet a 1/2 inch iron rod found, continuing in all, a distance of 265.80 feet to a 1/2 inch iron rod found for corner at a southeast corner of Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 89°09’41” West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, passing at a distance of 411.81 feet a 1/2 inch iron rod found at the northeast corner of that certain tract of land described in deed to Swisher Partners, L.P. recorded in Document No. 2004-7927, RPRDCT, continuing in all, a distance of 462.41 feet to a 1/2 inch iron rod found for corner at the southeast corner of that certain tract of land described in deed to the City of Celina, Texas recorded in Document No. 2008-62468, RPRDCT;

THENCE North 00°41’57” West, with the east line of said City of Celina, Texas tract, a distance of 60.00 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE South 89°18’56” West, with a north line of the City of Celina, Texas tract, and Parvin Road, a distance of 1107.30 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE North 00°41’04” West, leaving said north line of Parvin Road, a distance of 843.46 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE South 89°18’56” West, a distance of 815.06 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner, said iron rod being located on an easterly line of said City of Celina, Texas tract, and the aforementioned east right-of-way line of FM No. 1385;

THENCE North 01°32'26" East, with said east right-of-way line of FM No. 1385 according to City of Celina, Texas tract deed, a distance of 350.05 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 89°22'47" East, leaving the east right-of-way line of FM No. 1385, and with the north line of the aforementioned tract of land described in deed to Frisco Industrial Partners recorded in Document No. 2008-66233, RPRDCT, and the south line of that certain tract of land described in deed to Anna Liz Hong recorded in Document No. 2014-15601, RPRDCT, a distance of 1908.52 feet to a 5/8 inch iron rod with plastic cap marked "PETITTRPLS 4087" set for corner;

THENCE North 00°41'47" West, with the east line of said Anna Liz Hong tract, and the most westerly line of the aforementioned Kim Family Living Trust tract, a distance of 1546.84 feet to an old wood corner post found for corner, from which a 5/8 inch iron rod found bears South 16°28'53" West, a distance of 1.57 feet;

THENCE North 00°24'23" West, with the west line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, passing at a distance of 479.75 feet a 5/8 inch iron rod found at the southeast corner of that certain tract of land described in deed to Lee A. Brown recorded in Document No. 2003-122624, RPRDCT, continuing with said west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Lee A. Brown tract, in all, a total distance of 951.64 feet to a 5/8 inch iron rod found for corner at the southeast corner of the aforementioned Countryview Addition;

THENCE North 00°07'02" West, continuing with the west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Countryview Addition, a distance of 588.61 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, from which a 1/2 inch iron rod found bears South 89°26'31" West, a distance of 1.51 feet;

THENCE South 89°18'14" West, with the south line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340, RPRDCT, a distance of 1301.63 feet to a 1/2 inch iron rod found for corner at the most southerly southwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southeast corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT;

THENCE South 89°15'45" West, with the south line of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, a distance of 522.72 feet to the POINT OF BEGINNING of herein described tract of land containing an area of 622.779 acres of land.

Note: This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

SUTTON FIELDS PHASE 2A
22.782 ACRES

TRACT 1

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT 1 IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE SOUTHWEST CORNER OF LOT 2, BLOCK N, OF SUTTON FIELDS PHASE 1A, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-395, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED IN THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO LEE A. BROWN RECORDED IN DOCUMENT NUMBER 2003-122624 RPRDCT, ALSO BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NUMBER 2015-15963 RPRDCT;

THENCE NORTH 89°18'13" EAST WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, A DISTANCE OF 129.75 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD ALSO BEING LOCATED IN THE WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE SOUTH 00°41'47" EAST, CONTINUING WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, AND SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, A DISTANCE OF 5.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 89°18'13" EAST, DEPARTING SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, AND CONTINUING WITH THE SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 619.40 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE SOUTH 63°21'49" EAST, CONTINUING WITH SAID SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 51.22 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING LOCATED IN THE WESTERLY RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, SAID RIGHT-OF-WAY ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT

RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, WITH SAID WEST RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF $21^{\circ}57'17''$, A RADIUS OF 1445.00 FEET, A CHORD THAT BEARS SOUTH $15^{\circ}39'33''$ WEST, A DISTANCE OF 550.31 FEET, FOR AN ARC DISTANCE OF 553.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD ALSO BEING A SOUTHWEST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1;

THENCE SOUTH $85^{\circ}19'22''$ EAST, WITH THE SOUTH LINE OF THE BOTHWELL BOULEVARD DEDICATION ACCORDING TO SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, A DISTANCE OF 90.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING A SOUTHEAST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-478, PRDCT, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF $05^{\circ}22'43''$, A RADIUS OF 1355.00 FEET, A CHORD THAT BEARS SOUTH $01^{\circ}59'34''$ WEST, A DISTANCE OF 127.16 FEET, FOR AN ARC DISTANCE OF 127.20 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER:

SOUTH $00^{\circ}41'47''$ EAST, A DISTANCE OF 177.23 FEET;

SOUTH $89^{\circ}43'30''$ WEST, A DISTANCE OF 90.00 FEET;

NORTH $00^{\circ}41'47''$ WEST, A DISTANCE OF 20.00 FEET;

AND SOUTH $89^{\circ}43'30''$ WEST, A DISTANCE OF 635.87 FEET, SAID IRON ROD BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT II IN DEED TO TIMOTHY DAN CHESNEY AND MARGIE BETH CHESNEY RECORDED IN DOCUMENT NUMBER 94-R0036277, RPRDCT;

THENCE NORTH 00°41'47" WEST, WITH THE COMMON LINE OF SAID CADG SUTTON FIELDS, LLC AND SAID CHESNEY TRACT RECORDED IN DOCUMENT NUMBER 94-R0036277 RPRDCT, AND THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO TIM CHESNEY AND MARGIE BETH CHESNEY RECORDED IN VOLUME 1209, PAGE 434, RPRDCT, A DISTANCE OF 344.97 FEET TO AN OLD WOOD CORNER POST FOUND FOR CORNER AT THE NORTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, A SOUTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JENNIFER S. DAHL AND RICHARD A. DAHL, RECORDED IN DOCUMENT NUMBER 2006-1961 RPRDCT, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS SOUTH 16°28'53" WEST, A DISTANCE OF 1.57 FEET;

THENCE NORTH 00°24'23" WEST, WITH A WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE EAST LINE OF SAID DAHL TRACT, A DISTANCE OF 498.94 TO THE POINT OF BEGINNING, AND CONTAINING 13.792 ACRES OF LAND.

TRACT 2

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, AND THE THOMAS B. COX SURVEY, ABSTRACT NUMBER 309, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THOSE CERTAIN TRACTS OF LAND DESCRIBED AS TRACT 1, AND TRACT 4, IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF LOT 5, BLOCK R, OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-478, OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 89°18'13" WEST, WITH A NORTH LINE OF SAID SUTTON FIELDS PHASE 1B, A DISTANCE OF 1367.16 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING THE SOUTHEAST CORNER OF LOT 55, BLOCK R, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 00°23'16" WEST, WITH THE EAST LINE OF SAID LOT 55, BLOCK R, A DISTANCE OF 121.55 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF SAID LOT 55, BLOCK R,

ALSO BEING LOCATED IN THE SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE NORTH 89°36'44" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET, A DISTANCE OF 41.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 00°23'16" WEST, DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 165.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF LOT 11, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B, SAID IRON ROD ALSO BEING LOCATED IN THE SOUTH LINE OF LOT 8, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 89°36'44" EAST, WITH THE SOUTH LINE OF SAID BLOCK SSSS, PASSING AT A DISTANCE OF 552.07 FEET A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND AT A SOUTHEAST CORNER OF SAID SUTTON FIELDS PHASE 1B, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, IN ALL, A TOTAL DISTANCE OF 1001.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER:

NORTH 84°18'02" EAST, A DISTANCE OF 152.84 FEET;

NORTH 00°23'16" WEST, A DISTANCE OF 41.64 FEET;

AND NORTH 89°36'44" EAST, A DISTANCE OF 178.60 FEET;

THENCE SOUTH 00°41'45" WEST, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, PASSING AT A DISTANCE OF 12.21 FEET A 1/2-INCH IRON ROD FOUND AT AN INTERIOR "ELL" CORNER OF SAID TRACT 4, CONTINUING WITH SAID LINE DESCRIBED IN BOUNDARY LINE AGREEMENT, IN ALL, A TOTAL DISTANCE OF 335.04 FEET TO THE POINT OF BEGINNING, AND CONTAINING 8.990 ACRES OF LAND.

CONTAINING IN ALL (TRACT 1 AND TRACT 2), A TOTAL OF 22.782 ACRES OF LAND.

SUTTON FIELDS PHASE 2B
54.573 ACRES

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, AND THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, IN DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-30387, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF TRACT 1 AND TRACT 4 IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-15963, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NUMBER 2017-478, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION FOR BOTHWELL BOULEVARD ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT;

THENCE WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1B, THE FOLLOWING BEARINGS AND DISTANCES TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT-RPLS 4087" FOUND FOR CORNER:

NORTH 89°18'14" EAST, A DISTANCE OF 1596.19 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 280.00 FEET;

NORTH 89°18'13" EAST, A DISTANCE OF 420.00 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 105.00 FEET;

NORTH 44°18'13" EAST, A DISTANCE OF 14.14 FEET;

AND NORTH 89°18'13" EAST, A DISTANCE OF 120.62 FEET, SAID IRON ROD BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 00°41'45" WEST, WITH SAID BOUNDARY AGREEMENT LINE, A DISTANCE OF 1560.41 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE, DEPARTING THE WEST LINE OF SAID BOUNDARY AGREEMENT LINE, AND OVER AND ACROSS SAID CADG SUTTON FIELDS TRACTS, THE FOLLOWING

COURSES AND DISTANCES TO 5/8-INCH IRON RODS WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER:

SOUTH 89°18'13” WEST, A DISTANCE OF 128.64 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 25.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 410.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 280.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 710.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 570.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

NORTH 89°18'13” EAST, A DISTANCE OF 20.50 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 50.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 53.99 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

SOUTH 89°40'23” WEST, A DISTANCE OF 53.81 FEET;

NORTH 86°04'38” WEST, A DISTANCE OF 61.02 FEET;

NORTH 80°36'44” WEST, A DISTANCE OF 61.02 FEET;

NORTH 76°42'01” WEST, A DISTANCE OF 83.14 FEET;

NORTH 71°56'34" WEST, A DISTANCE OF 90.00 FEET, SAID IRON ROD ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE TO THE LEFT, WHICH HAS A
CENTRL ANGLE
OF 18°45'13", A RADIUS OF 1655.00 FEET, A CHORD THAT BEARS
NORTH 08°40'49" EAST, A DISTANCE OF 539.29 FEET, AND AN ARC
DISTANCE OF 541.70 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 77.93 FEET;

SOUTH 89°18'13" WEST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°18'13" EAST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 141.37 FEET;

NORTH 89°43'30" EAST, A DISTANCE OF 90.00 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 177.23 FEET, SAID IRON ROD
ALSO
BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

AND NORTHEASTERLY, WITH SAID CURVE TO THE RIGHT, WHICH
HAS A CENTRAL ANGLE OF 05°22'42", A RADIUS OF 1355.00 FEET, A
CHORD THAT BEARS NORTH 01°59'34" EAST, A DISTANCE OF 127.15
FEET, AND AN ARC DISTANCE OF 127.20 FEET TO THE POINT OF
BEGINNING, AND CONTAINING 54.573 ACRES OF LAND.

SUTTON FIELDS NORTH PHASE 2C

WHEREAS CADG Sutton Fields II, LLC is the owner of that certain tract of land situated in the Thomas H. McIntyre Survey, Abstract Number 903, in Denton County, Texas, according to deed recorded in Document Number 2015-128856, Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northeast corner of Lot 10X, Block L, according to the Final Plat of Sutton Fields North Phase 1, an addition to the City of Celina, Denton County, Texas, recorded in Document Number 2018-334, of the Plat Records of Denton County, Texas (PRDCT), from which a 1/2-inch iron rod found on the east right-of-way line of Farm to Market Road Number 1385 (variable width R.O.W.) bears South 89°33'57" West, a distance of 393.66 feet;

THENCE North 89°33'57" East, with the common north line of said CADG Sutton Fields II, LLC tract, and the south line of that certain tract of land described in deed to Munish Gupta and Anusha Gupta, recorded in Document Number 2013-84112, RPRDCT, a distance of 887.32 feet to a 1/2-inch iron rod found for corner at the southeast corner of said Gupta tract;

THENCE North 00°21'49" West, with the we line of said CADG tract, a distance of 547.19 feet to a 5/8-inch iron rod with cap marked "J-E #3700) found for corner at the southeast corner of that certain tract of land described in deed to Jeff Hammer, recorded in Volume 2156, Page 762, RPRDCT;

THENCE North 00°25'32" West, with the common line of said CADG tract and Hammer tract, a distance of 553.05 feet to a 1/2-inch iron rod found for corner at the southeast corner of that certain tract of land described in deed to SS Group LLC, recorded in Document Number 2016-42707, RPRDCT;

THENCE North 00°02'29" East, with the common line of said CADG tract and said SS Group LLC tract, a distance of 73.81 feet to a 1/2-inch iron rod found for corner at the northwest corner of said CADG tract and the southwest corner of that certain tract of land described in deed to Blue Angus Ranch LP, recorded in Instrument Number 2007-107216, RPRDCT;

THENCE South 89°46'58" East, with the common line of said CADG tract and said Blue Angus Ranch LP tract, a distance of 796.76 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" set for corner, from which a 3/8-inch iron rod found at the southeast corner of said Blue Angus Ranch LP tract bears South 89°47'08" East, a distance of 163.00 feet;

THENCE leaving said common line, over and across said CADG tract the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" set for corner:

South 00°18'36" East, a distance of 119.09 feet;

North 89°41'24" East, a distance of 85.00 feet;

South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 30.00 feet;
 South 00°18'36" East, a distance of 470.00 feet;
 North 89°41'24" East, a distance of 30.00 feet;
 South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 419.92 feet;
 South 44°41'24" West, a distance of 21.21 feet;
 South 00°18'36" East, a distance of 200.00 feet;
 South 45°18'36" East, a distance of 21.21 feet;
 North 89°41'24" East, a distance of 15.00 feet;
 South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 15.00 feet;
 South 44°41'24" West, a distance of 21.21 feet;
 South 00°18'36" East, a distance of 100.00 feet;
 North 89°41'24" East, a distance of 860.00 feet;
 North 00°18'36" West, a distance of 40.00 feet;
 North 89°41'24" East, a distance of 50.00 feet;
 South 00°18'36" East, a distance of 30.00 feet;

And North 89°41'24" East, a distance of 127.68 feet, said iron rod located on the common line of said CADG tract and that certain tract of land described in deed to Fashand Farm LTD., recorded in Document Number 2005-21653, RPRDCT;

THENCE South 00°09'07" East, with said common line, a distance of 653.00 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northeast corner of Lot 5, Block K, according to said Final Plat of Sutton Fields North Phase 1;

THENCE with the north line of said Sutton Fields North Phase 1, the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" found for corner:

South 89°41'24" West, a distance of 129.41 feet;

North 00°18'36" West, a distance of 83.00 feet;

South 89°41'24" West, a distance of 50.00 feet;

South 00°18'36" East, a distance of 20.00 feet;

South 89°41'24" West, a distance of 751.31 feet;

North 00°18'36" West, a distance of 20.00 feet;

South 89°41'24" West, a distance of 60.00 feet;

South 00°18'36" East, a distance of 20.00 feet;

South 89°41'24" West, a distance of 186.72 feet;

North 65°23'52" West, a distance of 197.00 feet;

And North 29°10'28" West, a distance of 333.82 feet, said iron rod located on the south right-of-way line of Bonar Road (called 60-foot wide R.O.W. at this point), and located at the beginning of a non-tangent curve to the right;

THENCE Northeasterly, with said curve which has a central angle of 2°16'34", a radius of 370.00 feet, a chord that bears North 69°47'08" East, a distance of 14.70 feet, and an arc length of 14.70 to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the easternmost corner of said Bonar Road right-of-way dedication;

THENCE North 19°04'35" West, with the east line of said Bonar Road right-of-way dedication, a distance of 60.00 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northernmost corner of said Bonar Road right-of-way dedication, and at the beginning of a non-tangent curve to the left;

THENCE Southwesterly, with the north right-of-way line of said Bonar Road and said curve which has a central angle of 24°57'49", a radius of 430.00 feet, a chord that bears South 58°26'30" West, a distance of 185.87 feet, and an arc length of 187.35 feet to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE continuing with the north right-of-way line of said Bonar Road, the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" found for corner:

South 89°19'36" West, a distance of 21.45 feet;

North 46°18'23" West, a distance of 5.00 feet;

South 43°41'40" West, a distance of 50.00 feet;

South 46°18'23" East, a distance of 5.00 feet;

South 01°18'23" East, a distance of 21.22 feet;

South 43°41'40" West, a distance of 200.00 feet;

South 88°41'37" West, a distance of 21.21 feet;

North 46°18'23" West, a distance of 15.00 feet;

South 43°41'40" West, a distance of 50.00 feet;

South 46°18'23" East, a distance of 5.00 feet;

South 43°41'37" West, a distance of 82.73 feet, said iron rod located at the beginning of a tangent curve to the right;

And Southwesterly, with said curve which has a central angle of 4°02'44", a radius of 260.00 feet, a chord that bears South 45°42'58" West, a distance of 18.35 feet, and an arc length of 18.36 feet to the end of said curve, said point located at the southeast corner of said Lot 10X, Block L;

THENCE North 42°15'40" West, leaving said north right-of-way line, with the east line of said Lot 10X, a distance of 15.21 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 46°18'23" West, continuing with said east line, a distance of 485.24 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 00°12'44" West, continuing with said east line, a distance of 130.31 feet to the POINT OF BEGINNING of herein described tract and containing an area of 42.114 acres of land.

SUTTON FIELDS NORTH PHASE 4

34.245 ACRE TRACT

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, in Denton County, Texas, and being part of that certain tract of land described in deed to Frisco Industrial Partners recorded in Document NO. 2008-66233, Real Property Records, Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, and being more particularly described as follows;

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found, said iron rod being located on the east right-of-way line of Farm to Market (FM) Road No. 1385 (variable width R.O.W.), and being a northeast corner of that certain tract of land described in deed to the City of Celina, Texas recorded in Document No. 2008-62468 (RPRDCT);

THENCE North 89°22'47" East, leaving the east right-of-way line of FM Road No. 1385, and with the north line of said Frisco Industrial Partners tract, and the south line of that certain tract of land described in deed to Anna Liz Hong, recorded in Document No. 2014-15601 (RPRDCT), a distance of 1786.40 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, from which a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found at the northeast corner of said Frisco Industrial Partners tract bears North 89°22'47" East, a distance of 122.12 feet;

THENCE South 45°38'57" East, leaving the common line of said Frisco Industrial Partners tract and Anna Liz Hong tract, a distance of 378.83 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 44°21'03" West, a distance of 146.76 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner, said iron rod being the beginning of a tangent curve to the left;

THENCE Southwesterly with said curve to the left, which has a central angle of 45°04'06", a radius of 845.00 feet, a chord which bears South 21°49'00" West for 647.67 feet, and an arc distance of 664.67 feet to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 00°43'03" East, a distance of 221.13 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner, said iron rod being located in the north line of said City of Celina, Texas tract recorded in Document No. 2008-62468 (RPRDCT);

THENCE South 89°18'56" West, with a north line of said City of Celina, Texas tract (Parvin Road), a distance of 901.06 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, said iron rod being a southwest corner of that certain tract of land described in deed to CADG Sutton Fields, LLC recorded in Document No. 2015-30204, RPRDCT;

THENCE North 00°41'04" West, leaving said north line of the City of Celina, Texas tract, and with a west line of said CADG Sutton Fields, LLC tract, a distance of 843.46 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°18'56" West, with a south line of said CADG Sutton Fields, LLC tract, a distance of 815.06 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, said iron rod being located on an easterly line of said City of Celina, Texas tract, and said east right-of-way line of FM No. 1385;

THENCE North 01°32'26" East, with said east right-of-way line of FM No. 1385 according to City of Celina, Texas tract deed, a distance of 350.05 feet to the POINT OF BEGINNING, and containing 34.245 acres of land.

APPENDIX C
ASSESSMENT PER UNIT

APPENDIX C
Assessment Per Unit

The Assessment per Unit for NIA #1, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-1 below.

Table C-1
Assessment Per Unit – NIA #1

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (Per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit
A	70	40	\$14,700,000	9.05%	\$1,046,634	\$26,166
B	60	195	\$63,940,500	39.38%	\$4,552,537	\$23,346
C	50	280	\$83,720,000	51.56%	\$5,960,829	\$21,289
Total		515	\$162,360,500		\$11,560,000	

The Assessment per Unit for NIA #2, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-2 below.

Table C-2
Assessment Per Unit – NIA #2

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #2	Assessment per Unit - NIA #2-5^(a)	Combined Assessment per Unit - NIA #2
A	70	-	-	-	-	-	-	-
B	60	55	\$18,034,500	36.05%	\$686,737	\$12,486	\$9,929	\$22,415
C	50	107	\$31,993,000	63.95%	\$1,218,263	\$11,386	\$9,929	\$21,315
Total		162	\$50,027,500		\$1,905,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #3, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-3 on the following page.

Table C-3
Assessment Per Unit – NIA #3

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #3	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #3
A	70	37	\$13,597,500	11.82%	\$526,059	\$14,218	\$9,929	\$24,147
B	60	85	\$27,871,500	24.23%	\$1,078,290	\$12,686	\$9,929	\$22,615
C	50	246	\$73,554,000	63.95%	\$2,845,651	\$11,568	\$9,929	\$21,497
Total		368	\$115,023,000		\$4,450,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #4, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-4 below.

Table C-4
Assessment Per Unit – NIA #4

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #4	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #4
A	70	-	-	-	-	-	-	-
B	60	149	\$48,857,100	51.16%	\$2,046,347	\$13,734	\$9,929	\$23,663
C	50	156	\$46,644,000	48.84%	\$1,953,653	\$12,523	\$9,929	\$22,452
Total		305	\$95,501,100		\$4,000,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #5A, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-5 below.

Table C-5
Assessment Per Unit – NIA #5A

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #5A	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #5A
A	70	-	-	-	-	-	-	-
B	60	127	\$41,643,300	37.51%	\$1,656,935	\$13,047	\$9,929	\$22,976
C	50	232	\$69,368,000	62.49%	\$2,760,065	\$11,897	\$9,929	\$21,826
Total		359	\$111,011,300		\$4,417,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

APPENDIX D
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

Appendix D
Neighborhood Improvement Area #1 Assessment Roll

**Parcel(s)
Assessment**

**Various
\$11,560,000**

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
9/1/2016	\$0	\$609,951	\$609,951	\$30,000	\$23,120	\$34,680	\$0	(\$609,951)	\$87,8
9/1/2017	\$0	\$838,100	\$838,100	\$30,600	\$23,120	\$34,680	\$0	(\$838,100)	\$88,4
9/1/2018	\$140,000	\$838,100	\$978,100	\$61,212	\$23,120	\$34,680	\$0	\$0	\$1,097,1
9/1/2019	\$150,000	\$827,950	\$977,950	\$62,436	\$22,840	\$34,260	\$0	\$0	\$1,097,4
9/1/2020	\$160,000	\$817,075	\$977,075	\$63,685	\$22,540	\$33,810	\$0	\$0	\$1,097,1
9/1/2021	\$170,000	\$805,475	\$975,475	\$64,959	\$22,220	\$33,330	\$0	\$0	\$1,095,9
9/1/2022	\$180,000	\$793,150	\$973,150	\$66,258	\$21,880	\$32,820	\$0	\$0	\$1,094,1
9/1/2023	\$195,000	\$780,100	\$975,100	\$67,583	\$2,560	\$51,240	\$0	\$0	\$1,096,4
9/1/2024	\$210,000	\$765,963	\$975,963	\$68,935	\$0	\$52,825	\$0	\$0	\$1,097,7
9/1/2025	\$225,000	\$750,738	\$975,738	\$70,313	\$0	\$51,775	\$0	\$0	\$1,097,8
9/1/2026	\$240,000	\$734,425	\$974,425	\$71,720	\$0	\$11,100	\$0	\$0	\$1,057,2
9/1/2027	\$260,000	\$717,025	\$977,025	\$73,154	\$0	\$0	\$0	\$0	\$1,050,1
9/1/2028	\$275,000	\$698,175	\$973,175	\$74,617	\$0	\$0	\$0	\$0	\$1,047,7
9/1/2029	\$295,000	\$678,238	\$973,238	\$76,109	\$0	\$0	\$0	\$0	\$1,049,3
9/1/2030	\$320,000	\$656,850	\$976,850	\$77,632	\$0	\$0	\$0	\$0	\$1,054,4
9/1/2031	\$340,000	\$633,650	\$973,650	\$79,184	\$0	\$0	\$0	\$0	\$1,052,8
9/1/2032	\$365,000	\$609,000	\$974,000	\$80,768	\$0	\$0	\$0	\$0	\$1,054,7
9/1/2033	\$395,000	\$582,538	\$977,538	\$82,383	\$0	\$0	\$0	\$0	\$1,059,9
9/1/2034	\$420,000	\$553,900	\$973,900	\$84,031	\$0	\$0	\$0	\$0	\$1,057,9
9/1/2035	\$450,000	\$523,450	\$973,450	\$85,712	\$0	\$0	\$0	\$0	\$1,059,1
9/1/2036	\$485,000	\$490,825	\$975,825	\$87,426	\$0	\$0	\$0	\$0	\$1,063,2
9/1/2037	\$520,000	\$455,663	\$975,663	\$89,174	\$0	\$0	\$0	\$0	\$1,064,8
9/1/2038	\$555,000	\$417,963	\$972,963	\$90,958	\$0	\$0	\$0	\$0	\$1,063,9
9/1/2039	\$600,000	\$377,725	\$977,725	\$92,777	\$0	\$0	\$0	\$0	\$1,070,5
9/1/2040	\$640,000	\$334,225	\$974,225	\$94,633	\$0	\$0	\$0	\$0	\$1,068,8
9/1/2041	\$685,000	\$287,825	\$972,825	\$96,525	\$0	\$0	\$0	\$0	\$1,069,3
9/1/2042	\$735,000	\$238,163	\$973,163	\$98,456	\$0	\$0	\$0	\$0	\$1,071,6
9/1/2043	\$790,000	\$184,875	\$974,875	\$100,425	\$0	\$0	\$0	\$0	\$1,075,3
9/1/2044	\$850,000	\$127,600	\$977,600	\$102,433	\$0	\$0	\$0	\$0	\$1,080,0
9/1/2045	\$910,000	\$65,975	\$975,975	\$104,482	\$0	\$0	(\$978,100)	\$0	\$102,3
Totals	\$11,560,000	\$17,194,688	\$28,754,688	\$2,328,580	\$161,400	\$405,200	(\$978,100)	(\$1,448,051)	\$29,223,7

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 7.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

Attachment: Ordinance (Sutton Fields II N/A #5A- PID Levy)

APPENDIX E
NEIGHBORHOOD IMPROVEMENT AREAS #2-5 ASSESSMENT ROLL

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

Appendix E
Neighborhood Improvement Areas #2-5 Assessment Roll

**Parcel(s)
Assessment**

**Various
\$16,825,000**

Year (a)	Principal	Interest (b)	Total Debt Service	Admin Expenses (c)	Prepayment Reserve	Delinquency Reserve	Transfer to DSRF	Less: DSRF Credit	Less: Capitalized Interest	Ann Install	
9/1/2016	\$0	\$1,010,201	\$1,010,201	\$30,000	\$0	\$0	\$84,125	\$0	(\$1,010,201)	\$11	5
9/1/2017	\$0	\$1,388,063	\$1,388,063	\$30,600	\$0	\$0	\$84,125	\$0	(\$1,388,063)	\$11	5
9/1/2018	\$0	\$1,388,063	\$1,388,063	\$31,212	\$0	\$0	\$84,125	\$0	\$0	\$1,50	0
9/1/2019	\$295,000	\$1,388,063	\$1,683,063	\$31,836	\$33,650	\$50,475	\$0	\$0	\$0	\$1,79	4
9/1/2020	\$320,000	\$1,363,725	\$1,683,725	\$32,473	\$33,060	\$49,590	\$0	\$0	\$0	\$1,79	8
9/1/2021	\$345,000	\$1,337,325	\$1,682,325	\$33,122	\$32,420	\$48,630	\$0	\$0	\$0	\$1,79	7
9/1/2022	\$375,000	\$1,308,863	\$1,683,863	\$33,785	\$31,730	\$47,595	\$0	\$0	\$0	\$1,79	3
9/1/2023	\$405,000	\$1,277,925	\$1,682,925	\$34,461	\$30,980	\$46,470	\$0	\$0	\$0	\$1,79	6
9/1/2024	\$435,000	\$1,244,513	\$1,679,513	\$35,150	\$30,170	\$45,255	\$0	\$0	\$0	\$1,79	8
9/1/2025	\$475,000	\$1,208,625	\$1,683,625	\$35,853	\$29,300	\$43,950	\$0	\$0	\$0	\$1,79	8
9/1/2026	\$510,000	\$1,169,438	\$1,679,438	\$36,570	\$28,350	\$42,525	\$0	\$0	\$0	\$1,78	3
9/1/2027	\$555,000	\$1,127,363	\$1,682,363	\$37,301	\$2,715	\$65,610	\$0	\$0	\$0	\$1,78	9
9/1/2028	\$600,000	\$1,081,575	\$1,681,575	\$38,047	\$0	\$65,550	\$0	\$0	\$0	\$1,78	2
9/1/2029	\$650,000	\$1,032,075	\$1,682,075	\$38,808	\$0	\$62,550	\$0	\$0	\$0	\$1,78	3
9/1/2030	\$705,000	\$978,450	\$1,683,450	\$39,584	\$0	\$59,300	\$0	\$0	\$0	\$1,78	4
9/1/2031	\$760,000	\$920,288	\$1,680,288	\$40,376	\$0	\$45,500	\$0	\$0	\$0	\$1,76	4
9/1/2032	\$825,000	\$857,588	\$1,682,588	\$41,184	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2033	\$890,000	\$789,525	\$1,679,525	\$42,007	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2034	\$965,000	\$716,100	\$1,681,100	\$42,847	\$0	\$0	\$0	\$0	\$0	\$1,72	7
9/1/2035	\$1,045,000	\$636,488	\$1,681,488	\$43,704	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2036	\$1,130,000	\$550,275	\$1,680,275	\$44,578	\$0	\$0	\$0	\$0	\$0	\$1,72	3
9/1/2037	\$1,225,000	\$457,050	\$1,682,050	\$45,470	\$0	\$0	\$0	\$0	\$0	\$1,72	0
9/1/2038	\$1,325,000	\$355,988	\$1,680,988	\$46,379	\$0	\$0	\$0	\$0	\$0	\$1,72	7
9/1/2039	\$1,435,000	\$246,675	\$1,681,675	\$47,307	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2040	\$1,555,000	\$128,288	\$1,683,288	\$48,253	\$0	\$0	\$0	(\$1,683,863)	\$0	\$4	8
Total	\$16,825,000	\$23,962,526	\$40,787,526	\$960,909	\$252,375	\$673,000	\$252,375	(\$1,683,863)	(\$2,398,264)	\$38,84	8

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 8.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

Attachment: Ordinance (Sutton Fields II N/A #5A- PID Levy)

APPENDIX F
NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL

Appendix F
Neighborhood Improvement Area #2 Assessment Roll

Parcel(s)
Assessment

134236
\$1,905,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2020	\$0	\$119,063	\$119,063	\$25,500	\$0	\$144,563
9/1/2021	\$5,000	\$80,831	\$85,831	\$20,096	\$8,350	\$114,277
9/1/2022	\$5,000	\$80,625	\$85,625	\$20,498	\$8,325	\$114,448
9/1/2023	\$5,000	\$80,419	\$85,419	\$20,908	\$8,300	\$114,627
9/1/2024	\$5,000	\$80,213	\$85,213	\$21,326	\$8,275	\$114,814
9/1/2025	\$5,000	\$80,006	\$85,006	\$21,753	\$8,250	\$115,009
9/1/2026	\$5,000	\$79,800	\$84,800	\$22,188	\$8,225	\$115,213
9/1/2027	\$5,000	\$79,594	\$84,594	\$22,631	\$8,200	\$115,425
9/1/2028	\$5,000	\$79,388	\$84,388	\$23,084	\$8,175	\$115,647
9/1/2029	\$5,000	\$79,181	\$84,181	\$23,546	\$8,150	\$115,877
9/1/2030	\$5,000	\$78,975	\$83,975	\$24,017	\$8,125	\$116,117
9/1/2031	\$5,000	\$78,769	\$83,769	\$24,497	\$8,100	\$116,366
9/1/2032	\$5,000	\$78,563	\$83,563	\$24,987	\$8,075	\$116,625
9/1/2033	\$5,000	\$78,356	\$83,356	\$25,487	\$8,050	\$116,893
9/1/2034	\$5,000	\$78,150	\$83,150	\$25,996	\$8,025	\$117,171
9/1/2035	\$5,000	\$77,944	\$82,944	\$26,516	\$8,000	\$117,460
9/1/2036	\$5,000	\$77,738	\$82,738	\$27,047	\$7,975	\$117,760
9/1/2037	\$5,000	\$77,531	\$82,531	\$27,588	\$7,950	\$118,069
9/1/2038	\$10,000	\$77,325	\$87,325	\$28,139	\$7,925	\$123,389
9/1/2039	\$10,000	\$76,913	\$86,913	\$28,702	\$7,875	\$123,490
9/1/2040	\$10,000	\$76,500	\$86,500	\$29,276	\$7,825	\$123,601
9/1/2041	\$165,000	\$76,075	\$241,075	\$29,862	\$7,775	\$278,712
9/1/2042	\$175,000	\$69,063	\$244,063	\$30,459	\$6,950	\$281,472
9/1/2043	\$180,000	\$61,625	\$241,625	\$31,068	\$6,075	\$278,768
9/1/2044	\$190,000	\$53,975	\$243,975	\$31,689	\$5,175	\$280,839
9/1/2045	\$200,000	\$45,900	\$245,900	\$32,323	\$4,225	\$282,448
9/1/2046	\$205,000	\$37,400	\$242,400	\$32,970	\$3,225	\$278,595
9/1/2047	\$215,000	\$28,688	\$243,688	\$33,629	\$2,200	\$279,517
9/1/2048	\$225,000	\$19,550	\$244,550	\$34,302	\$1,125	\$279,977
9/1/2049	\$235,000	\$9,988	\$244,988	\$34,988	\$2,300	\$282,276
Total	\$1,905,000	\$2,098,144	\$4,003,144	\$805,072	\$201,225	\$5,009,441

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

- (a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st
- (b) Interest rate is 4.125% through 2039 and 4.250% thereafter.
- (c) Preliminary estimate, will be updated in Annual Service Plan Updates.
- (d) The 9/1/2020 Annual Installments were calculated and billed under the Neighborhood Improvement Area #2 Reimbursement Agreement.

APPENDIX G
NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

Appendix G
Neighborhood Improvement Area #3 Assessment Roll

Parcel(s)
Assessment

52810, 52744, 52760, 52721
\$4,450,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2020	\$0	\$171,967	\$171,967	\$25,000	\$0	\$196,967
9/1/2021	\$0	\$188,744	\$188,744	\$35,000	\$22,250	\$245,994
9/1/2022	\$15,000	\$188,744	\$203,744	\$35,700	\$22,250	\$261,694
9/1/2023	\$15,000	\$188,125	\$203,125	\$36,414	\$22,175	\$261,714
9/1/2024	\$15,000	\$187,506	\$202,506	\$37,142	\$22,100	\$261,749
9/1/2025	\$15,000	\$186,888	\$201,888	\$37,885	\$22,025	\$261,798
9/1/2026	\$15,000	\$186,269	\$201,269	\$38,643	\$21,950	\$261,862
9/1/2027	\$15,000	\$185,650	\$200,650	\$39,416	\$21,875	\$261,941
9/1/2028	\$15,000	\$185,031	\$200,031	\$40,204	\$21,800	\$262,035
9/1/2029	\$15,000	\$184,413	\$199,413	\$41,008	\$21,725	\$262,146
9/1/2030	\$15,000	\$183,794	\$198,794	\$41,828	\$21,650	\$262,272
9/1/2031	\$15,000	\$183,175	\$198,175	\$42,665	\$21,575	\$262,415
9/1/2032	\$15,000	\$182,556	\$197,556	\$43,518	\$21,500	\$262,574
9/1/2033	\$20,000	\$181,938	\$201,938	\$44,388	\$21,425	\$267,751
9/1/2034	\$20,000	\$181,113	\$201,113	\$45,276	\$21,325	\$267,714
9/1/2035	\$20,000	\$180,288	\$200,288	\$46,182	\$21,225	\$267,694
9/1/2036	\$20,000	\$179,463	\$199,463	\$47,105	\$21,125	\$267,693
9/1/2037	\$20,000	\$178,638	\$198,638	\$48,047	\$21,025	\$267,710
9/1/2038	\$20,000	\$177,813	\$197,813	\$49,008	\$20,925	\$267,746
9/1/2039	\$20,000	\$176,988	\$196,988	\$49,989	\$20,825	\$267,801
9/1/2040	\$25,000	\$176,163	\$201,163	\$50,988	\$20,725	\$272,876
9/1/2041	\$385,000	\$175,100	\$560,100	\$52,008	\$20,600	\$632,708
9/1/2042	\$400,000	\$158,738	\$558,738	\$53,048	\$18,675	\$630,461
9/1/2043	\$415,000	\$141,738	\$556,738	\$54,109	\$16,675	\$627,522
9/1/2044	\$435,000	\$124,100	\$559,100	\$55,191	\$14,600	\$628,891
9/1/2045	\$455,000	\$105,613	\$560,613	\$56,295	\$12,425	\$629,333
9/1/2046	\$475,000	\$86,275	\$561,275	\$57,421	\$10,150	\$628,846
9/1/2047	\$495,000	\$66,088	\$561,088	\$58,570	\$7,775	\$627,432
9/1/2048	\$520,000	\$45,050	\$565,050	\$59,741	\$5,300	\$630,091
9/1/2049	\$540,000	\$22,950	\$562,950	\$60,936	\$2,700	\$626,586
Total	\$4,450,000	\$4,760,910	\$9,210,910	\$1,382,728	\$540,375	\$11,134,014

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 4.125% through 2039 and 4.250% thereafter.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

APPENDIX H
NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL

Appendix H
Neighborhood Improvement Area #4 Assessment Roll

Parcel(s)
Assessment

751232, 751234, 134236

\$4,000,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2021	\$0	\$184,400	\$184,400	\$25,000	\$0	\$209,400
9/1/2022	\$5,000	\$184,400	\$189,400	\$35,000	\$20,000	\$244,400
9/1/2023	\$5,000	\$184,170	\$189,170	\$35,700	\$19,975	\$244,845
9/1/2024	\$10,000	\$183,939	\$193,939	\$36,414	\$19,950	\$250,303
9/1/2025	\$10,000	\$183,478	\$193,478	\$37,142	\$19,900	\$250,520
9/1/2026	\$10,000	\$183,017	\$193,017	\$37,885	\$19,850	\$250,752
9/1/2027	\$10,000	\$182,556	\$192,556	\$38,643	\$19,800	\$250,999
9/1/2028	\$10,000	\$182,095	\$192,095	\$39,416	\$19,750	\$251,261
9/1/2029	\$10,000	\$181,634	\$191,634	\$40,204	\$19,700	\$251,538
9/1/2030	\$10,000	\$181,173	\$191,173	\$41,008	\$19,650	\$251,831
9/1/2031	\$15,000	\$180,712	\$195,712	\$41,828	\$19,600	\$257,140
9/1/2032	\$15,000	\$180,021	\$195,021	\$42,665	\$19,525	\$257,210
9/1/2033	\$15,000	\$179,329	\$194,329	\$43,518	\$19,450	\$257,297
9/1/2034	\$15,000	\$178,638	\$193,638	\$44,388	\$19,375	\$257,401
9/1/2035	\$15,000	\$177,946	\$192,946	\$45,276	\$19,300	\$257,522
9/1/2036	\$15,000	\$177,255	\$192,255	\$46,182	\$19,225	\$257,661
9/1/2037	\$20,000	\$176,563	\$196,563	\$47,105	\$19,150	\$262,818
9/1/2038	\$20,000	\$175,641	\$195,641	\$48,047	\$19,050	\$262,738
9/1/2039	\$20,000	\$174,719	\$194,719	\$49,008	\$18,950	\$262,677
9/1/2040	\$20,000	\$173,797	\$193,797	\$49,989	\$18,850	\$262,636
9/1/2041	\$280,000	\$172,875	\$452,875	\$50,988	\$18,750	\$522,613
9/1/2042	\$295,000	\$159,967	\$454,967	\$52,008	\$17,350	\$524,325
9/1/2043	\$315,000	\$146,368	\$461,368	\$53,048	\$15,875	\$530,291
9/1/2044	\$335,000	\$131,846	\$466,846	\$54,109	\$14,300	\$535,255
9/1/2045	\$360,000	\$116,403	\$476,403	\$55,191	\$12,625	\$544,219
9/1/2046	\$380,000	\$99,807	\$479,807	\$56,295	\$10,825	\$546,927
9/1/2047	\$405,000	\$82,289	\$487,289	\$57,421	\$8,925	\$553,635
9/1/2048	\$430,000	\$63,618	\$493,618	\$58,570	\$6,900	\$559,088
9/1/2049	\$460,000	\$43,795	\$503,795	\$59,741	\$4,750	\$568,286
9/1/2050	\$490,000	\$22,589	\$512,589	\$60,936	\$2,450	\$575,975
Total	\$4,000,000	\$4,645,036	\$8,645,036	\$1,382,728	\$483,800	\$10,511,564

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st.

(b) Estimated Interest rate is 4.61%.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

APPENDIX I
PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #5A ASSESSMENT ROLL

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)

Appendix I
Proposed Neighborhood Improvement Area #5A Assessment Roll

**122875, 52680, 52690, 52751, 52810, 52744,
52721, 52760, 52763**

**Parcel(s)
Assessment**

\$4,417,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2021	\$0	\$201,857	\$201,857	\$32,500	\$0	\$234,357
9/1/2022	\$10,000	\$201,857	\$211,857	\$33,150	\$0	\$245,007
9/1/2023	\$10,000	\$201,400	\$211,400	\$33,813	\$0	\$245,213
9/1/2024	\$10,000	\$200,943	\$210,943	\$34,489	\$0	\$245,432
9/1/2025	\$10,000	\$200,486	\$210,486	\$35,179	\$0	\$245,665
9/1/2026	\$10,000	\$200,029	\$210,029	\$35,883	\$0	\$245,912
9/1/2027	\$10,000	\$199,572	\$209,572	\$36,600	\$0	\$246,172
9/1/2028	\$10,000	\$199,115	\$209,115	\$37,332	\$0	\$246,447
9/1/2029	\$15,000	\$198,658	\$213,658	\$38,079	\$0	\$251,737
9/1/2030	\$15,000	\$197,972	\$212,972	\$38,841	\$0	\$251,813
9/1/2031	\$15,000	\$197,287	\$212,287	\$39,617	\$0	\$251,904
9/1/2032	\$15,000	\$196,601	\$211,601	\$40,410	\$0	\$252,011
9/1/2033	\$15,000	\$195,916	\$210,916	\$41,218	\$0	\$252,134
9/1/2034	\$15,000	\$195,230	\$210,230	\$42,042	\$0	\$252,273
9/1/2035	\$15,000	\$194,545	\$209,545	\$42,883	\$0	\$252,428
9/1/2036	\$20,000	\$193,859	\$213,859	\$43,741	\$0	\$257,600
9/1/2037	\$20,000	\$192,945	\$212,945	\$44,616	\$0	\$257,561
9/1/2038	\$20,000	\$192,031	\$212,031	\$45,508	\$0	\$257,539
9/1/2039	\$20,000	\$191,117	\$211,117	\$46,418	\$0	\$257,535
9/1/2040	\$21,000	\$190,203	\$211,203	\$47,346	\$0	\$258,550
9/1/2041	\$330,000	\$189,244	\$519,244	\$48,293	\$0	\$567,537
9/1/2042	\$345,000	\$174,163	\$519,163	\$49,259	\$0	\$568,422
9/1/2043	\$365,000	\$158,396	\$523,396	\$50,244	\$0	\$573,641
9/1/2044	\$380,000	\$141,716	\$521,716	\$51,249	\$0	\$572,965
9/1/2045	\$400,000	\$124,350	\$524,350	\$52,274	\$0	\$576,624
9/1/2046	\$420,000	\$106,070	\$526,070	\$53,320	\$0	\$579,389
9/1/2047	\$440,000	\$86,876	\$526,876	\$54,386	\$0	\$581,262
9/1/2048	\$465,000	\$66,768	\$531,768	\$55,474	\$0	\$587,242
9/1/2049	\$485,000	\$45,517	\$530,517	\$56,583	\$0	\$587,100
9/1/2050	\$511,000	\$23,353	\$534,353	\$57,715	\$0	\$592,068
Total	\$4,417,000	\$5,058,076	\$9,475,076	\$1,318,463	\$0	\$10,793,539

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st.

(b) Estimated Interest rate is 4.57%.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Ordinance (Sutton Fields II NIA #5A- PID Levy)



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Robin Bromiley, Director of Finance
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: Tax Revenue Increase Ratification

Action Requested:

Consider and act upon ratifying the property tax revenue increase reflected in the annual budget for the Fiscal Year 2020-2021; beginning October 1, 2020 and ending September 30, 2021. (Bromiley)

Background Information:

Local Government Code Section 102.007, subsection (C) states that "Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget.

A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code or other law."

The proposed FY2020-2021 budget will require raising more revenue from property taxes than in the previous year, and therefore requires a separate vote of the City Council to ratify the property tax increase reflected in the budget.

MOTION TO INCLUDE:

"This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,150,510, which is a 27% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,744,048."

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Ordinance

Notice of 2020 Tax Year Proposed Property Tax Rate

Staff Recommendation:

Approval

**CITY OF CELINA, TEXAS
ORDINANCE NO. XXXX**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS RATIFYING THE PROPERTY TAX REVENUE IN THE FY2020-2021 BUDGET AS A RESULT OF THE CITY RECEIVING MORE REVENUES FROM PROPERTY TAX IN THE FISCAL YEAR 2020-2021 BUDGET THAN IN THE PREVIOUS FICAL YEAR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Local Government Code 102.007, relating to Adoption of the Budget, requires the City to ratify by a separate vote and providing the necessary disclosure language in the ratification, when there is an increase to the property tax revenues in the proposed budget as compared to the previous year; and

WHEREAS, The City's 2020-2021 Budget has an increase in property tax revenues as compared to the previous year; and

WHEREAS, as a result of the approval of the 2020-2021 Budget, the City Council finds that it must ratify the increased revenue from property taxes.

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

Section 1. The increased revenue from property taxes in the 2020-2021 Budget is hereby ratified, with the following declaration:

“THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$3,150,510, WHICH IS A 27 PERCENT INCREASE FROM LAST YEAR'S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$1,744,048.”

Section 2. This Ordinance shall become effective immediately upon its passage.

DULY PASSED and APPROVED, this the 8th day of September 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

City Attorney

NOTICE ABOUT 2020 TAX RATES

9.A.b

Property Tax Rates in City of Celina

This notice concerns the 2020 property tax rates for City of Celina. This notice provides information about two tax rates. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. The voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate: \$0.633518

This year's voter-approval tax rate: \$0.645000

To see the full calculations, please visit www.collincountytx.gov for a copy of the Tax Rate Calculation Worksheets.

Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Maintenance & Operations	5,507,648
Interest & Sinking	1,531,632

Current Year Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Certificates of Obligation Series 2011	70,000	38,654	0	108,654
General Obligation Refunding Bonds Series 2012	25,000	750	0	25,750
Certificates of Obligation Series 2013	140,000	190,300	0	330,300
General Obligation Refunding Bonds Series 2013	350,000	78,475	0	428,475
Certificates of Obligation Series 2014	135,000	82,563	0	217,563
Certificates of Obligation Series 2015	85,000	90,500	0	175,500
Certificates of Obligation Series 2016	260,000	53,900	0	313,900
Certificates of Obligation Series 2017	170,000	111,412	0	281,412
Certificates of Obligation Series 2018	605,000	803,037	0	1,408,037
General Obligation Refunding Bonds Series 2018	225,000	146,350	0	371,350
Certificates of Obligation Series 2019	480,000	467,725	0	947,725
Total required for 2020 debt service				4,608,666
- Amount (if any) paid from funds listed in unencumbered funds				146,016
- Amount (if any) paid from other resources				0
- Excess collections last year				558,601
= Total to be paid from taxes in 2020				3,904,049
+ Amount added in anticipation that the taxing unit will collect only 105.30% of its taxes in 2020				-196,500
=Total debt levy				3,707,548

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by Kenneth L. Maun, Tax Assessor-Collector on August 04, 2020.

Attachment: Notice about 2020 Tax Rates (Tax Revenue Increase Ratification)



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Robin Bromiley, Director of Finance
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: FY2020-2021 Budget Adoption

Action Requested:

Consider and act upon an ordinance of the City of Celina, Texas, adopting and approving the budget for the Fiscal Year 2020-2021 beginning October 1, 2020, and ending September 30, 2021, and making appropriations for each department, project and account; providing for expenditures of funds; providing for filing of documents. (Bromiley) (Roll Call Vote)

Background Information:

The total Fiscal Year 2021 budget, including all funds and transfers (including EDC/CDC) is \$76,503,206 compared to \$82,552,248 initially budgeted in 2020. The budget for all funds will decrease by \$6,049,041, or 7.33% over fiscal year 2020 and was contributed to the reduction of appropriations to Capital Bond proceeds. Fiscal Year 2021 total expenditures are greater than the total revenues within the city-wide budget by \$19,659,324. The Capital Project funds have budgeted expenditures of \$19,880,084 a decrease of 41.39% over fiscal year 2020.

Board Review/Citizen Input:

A public hearing was held on September 08, 2020 at 5:00 p.m. preceding the adoption of the budget.

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Ordinance

Staff Recommendation:

Approval

**CITY OF CELINA, TEXAS
ORDINANCE NO. XXXX**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL YEAR 2020-2021, BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021; IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS; REPEALING ALL CONFLICTING ORDINANCES; CONTAINING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Manager and staff have prepared and filed with the City Secretary a proposed budget for the operation of the City during Fiscal Year 2020-2021; and

WHEREAS, pursuant to the laws of the State of Texas and the Home Rule Charter of the City of Celina, Texas (“Celina”), the City Manager has submitted to the Mayor and Council a proposed budget of the revenues and expenditures for conducting the affairs of said city and providing a complete financial plan for Fiscal Year beginning October 1, 2020 and ending September 30, 2021; and

WHEREAS, the City Council on September 8, 2020 conducted a public hearing to receive input from citizens of the City concerning the content of the budget, and for which notices were duly posed in the *Celina Record*; and

WHEREAS, the City has acknowledged that this budget will raise more revenue from property taxes than last year’s budget by \$3,150,510, which is a 27% increase is from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,744,048; and

WHEREAS, the City Council having considered the proposed budget at length, and having provided input in its preparation, has determined that the proposed budget and the revenues and expenditures contained therein are in the best interest of the City and, therefore, the Council desires to approve and adopt the budget by formal action.

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

SECTION 1. The proposed budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021, as submitted to the City Council by the City Manager, which budget is attached hereto as Exhibit “A” for all purposes is hereby approved and adopted as the City’s budget of all revenue and expenditures of the City of Celina, Texas for Fiscal Year 2020-2021; and

SECTION 2. The sum of seventy-five million, seven hundred twenty-eight thousand, twenty-four US Dollars (\$75,728,024) is hereby appropriated for the City’s FY2020-2021 Budget. Further, these funds are for payment of operating, capital, and debt service expenses associated with the operation and administration of the City, according to the various purposes and intents described in the FY2020-2021 budget document.

SECTION 3. Should any paragraph, sentence, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

SECTION 4. This Ordinance shall be in full force and effect from and after its adoption by the city Council, pursuant to applicable State and Local laws and the City of Celina Home Rule Charter.

SECTION 5. All other ordinances and Code provisions that are in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency.

SECTION 6. The City Council of the City of Celina, Texas met in a public meeting on September 08, 2020, and adopted this ordinance with a majority vote as follows:

Mayor Sean Terry	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Mayor Pro Tem Chad Anderson	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Justin Steiner	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Wayne Nabors	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Andy Hopkins	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Carmen Roberts	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Mindy Koehne	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____

READ and ADOPTED on the 8th day of September 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

City Attorney



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Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Robin Bromiley, Director of Finance
 CC: Jason Laumer, City Manager
 Date: September 8, 2020
 Re: FY2020 -21 Ad Valorem Tax Rate Adoption

Action Requested:

Consider and act upon an ordinance of the City of Celina, Texas, fixing and levying municipal Ad Valorem taxes for the fiscal year beginning October 1, 2020, and ending September 30, 2021, at a rate of \$.645000 per one hundred dollars (\$100.00) assessed valuation on all taxable property within the corporate limits of the city; this tax rate will raise more taxes for maintenance and operations than last year's tax rate; the tax rate will effectively be raised by 3.5% and will raise taxes for maintenance and operations on a \$100,000.00 home by approximately -\$1. (Roll Call Vote) (Bromiley)

Background Information:

In accordance with the "Truth in Taxation" laws of the State of Texas, if an entity's proposed tax rate exceeds the no-new-revenue rate, the entity is required to vote to place a proposal for adoption of budget and tax rate, publish notices and conduct a public hearing.

S.B. 1760 Record Vote required and must be approved by at least 60% of Council.

This action sets the 2020 Ad Valorem tax rate in support of the adopted FY 2020-2021 budget.

Tax Code 26.05 (b) The motion to adopt an ordinance setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:

MOTION TO INCLUDE:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.645000, which is effectively a 1.81 percent by which the proposed tax rate exceeds the No-New-Revenue Tax Rate."

Board Review/Citizen Input:

A public hearing was held in compliance with the Texas Tax Code on September 08, 2020.

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Ordinance

Staff Recommendation:

Approval

**CITY OF CELINA, TEXAS
ORDINANCE NO. XXXX**

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021; DIRECTING THE ASSESSMENT THEREOF TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT OPERATION AND MAINTENANCE EXPENSES AND INDEBTEDNESS OF THE CITY; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; PROVIDING FOR COLLECTION BY THE COLLIN AND DENTON COUNTY TAX ASSESSOR/COLLECTOR; CONTAINING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND PARTS THEREOF IN CONFLICT HERewith; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to levy such an *ad valorem* tax at a given rate to generate revenues sufficient to meet the projected expenditures of the City for FY 2020-2021; and

WHEREAS, the City Council of the City of Celina, Texas (the “City”) has approved on the 8th day of September, 2020, the budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 (FY 2020-2021); and

WHEREAS, the aforesaid Ordinance anticipates and requires the levy of an *ad valorem* tax on all taxable property in the City of Celina; and

WHEREAS, the Chief Appraiser of Collin County Tax Appraisal District has prepared and certified the appraisal roll for the City of Celina, Texas, that roll being that portion of the approved appraisal roll of both Collin County Tax Appraisal District and Denton County Tax Appraisal District which lists property taxable by the City of Celina, Texas; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of *ad valorem* taxes have been completed in due and correct time, including providing notice of and conducting a public hearing regarding the *ad valorem* tax levied hereby; and

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

Section 1. There is hereby levied for the FY 2020-2021 upon all real property situated within the corporate limits of the City of Celina, Texas, and upon all person property which was owned within the corporate limits of the City of Celina, Texas, on January 1, 2020, except so much thereof as may be exempt by the Constitution or laws of the State of Texas, or this ordinance, a tax of \$0.645 on each One Hundred Dollars (\$100.00) of assessed valuation on all taxable property, which total tax herein so levied shall consist and be comprised of the following components:

- a) An *ad valorem* tax rate of \$0.453125 on each One Hundred Dollars (\$100.00) assessed valuation of all taxable property is hereby levied for the purpose of defraying the maintenance and operation expenses of the City of Celina, Texas for the fiscal year ending September 30, 2021; and
- b) An *ad valorem* tax rate of \$0.191875 on each One Hundred Dollars (\$100.00) assessed valuation of all taxable property is hereby levied for the purpose of the payment of principal and interest of the valid bonded indebtedness, and related fees of the City of Celina, Texas for the fiscal year ending September 30, 2021; and

Section 2. The City of Celina shall have lien on all taxable property located in the City of Celina to secure the payment of taxes, penalties, and interest, and all costs of collection, assess and levied hereby.

Section 3. Taxes shall be payable in full at the office of the Collin County Tax Assessor/Collector, 2300 Bloomdale Road, Suite 2324, McKinney, TX 75071 and the Denton County Tax Assessor/Collector, 1505 E. McKinney, Denton, TX 76209-4525. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

Section 4. The tax roll presented to the City Council, together with any supplements thereto, are hereby accepted and approved.

Section 5. Should any paragraph, sentence, provision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

Section 6. This ordinance shall be in full force and effect from and after its adoption by the City Council and publication of its caption as the law and the Home Rule Charter of the City of Celina provide in such cases.

Section 7. All other ordinances and Code provisions in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency and all other provisions of the City of Celina Code not in conflict herewith shall remain in full force and effect.

Section 8. The repeal of any ordinance or parts thereof by the enactment of this Ordinance, shall not be construed as abandoning any action now pending under or by virtue of such ordinance; not shall it have the effect of discontinuing, abating, modifying or altering nay penalty accruing or to accrue, nor as affecting any rights of the city under any section or provision of any ordinances at the time of passage of this Ordinance.

Section 9. The City Council of the City of Celina, Texas met in a public meeting on September 08, 2020, and adopted this ordinance with a majority vote as follows:

Mayor Sean Terry	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Mayor Pro Tem Chad Anderson	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Justin Steiner	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Wayne Nabors	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Andy Hopkins	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Carmen Roberts	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____
Council Member Mindy Koehne	YEA ____ NAY ____ ABSTAIN ____ ABSENT ____

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEARS TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.50% AND WILL RAISE TAXES FOR MAINTNENACE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY -\$1.

READ and ADOPTED on the 8th day of September 2020.

Sean Terry, Mayor

ATTEST:

Vicki Tarrant, City Secretary

APPROVED AS TO FORM:

City Attorney



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance

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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project); approving and authorizing related agreements; and providing an effective date. (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance) (Pouladi)

Background Information:

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:

- Bond Ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2020-__

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT AREAS #2-3 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 July 10, 2018, regarding the levy of special assessments against benefitted property located within a portion of the second construction phase of the District ("Neighborhood Improvement Area #2A"), and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2018-31 (the "Neighborhood Improvement Area #2A Assessment Ordinance") on July 10, 2018; and

WHEREAS, in the Neighborhood Improvement Area #2A Assessment Ordinance, the City Council approved and accepted the Wells South Public Improvement District Service and Assessment Plan – Updated for Neighborhood Improvement Area #2, dated July 10, 2020 (the "NIA #2 SAP Update") relating to the District and levied special assessments (the "Neighborhood Improvement Area #2 Assessments") against the Neighborhood Improvement Area #2A Assessed Property (as defined in the Neighborhood Improvement Area #2A Assessment Ordinance), as shown on the Neighborhood Improvement Area #2 Assessment Roll that was attached to the NIA #2 SAP Update; and

WHEREAS, on August 27, 2019, the City approved an update to the NIA #2 SAP Update which, among other things, allocated the costs of certain improvements benefitting Neighborhood Improvement Area #2A to that portion of Neighborhood Improvement Area #2A for which a final subdivision plat had been filed with Collin County ("Neighborhood Improvement Area #2A-1"), which triggered the collection of that portion of the Neighborhood Improvement Area #2 Assessments that were levied against the lots in Neighborhood Improvement Area #2A-1; and

WHEREAS, the Developer has informed the City that its development plans for that portion of the property within Neighborhood Improvement Area #2A which excludes Neighborhood Improvement Area #2A-1 ("Neighborhood Improvement Area #2A-2") have changed and that the Neighborhood Improvement Area #2 Improvements previously planned to be constructed in Neighborhood Improvement Area #2A-2 will no longer be constructed; and

WHEREAS, pursuant to the updated development plans of the Developer and based on representations of the Administrator for the District, the City Council, in accordance with Section 372.020(2) of the PID Act, determined that the portion of the Neighborhood Improvement Area #2 Assessments levied against property within Neighborhood Improvement Area #2A-2 was excessive and should be released; and

WHEREAS, the City Council determined that it was in the best interest of the City and landowners in Neighborhood Improvement Area #2A-2 to release that portion of the uncollected Neighborhood Improvement Area #2 Assessments previously levied against property within

Neighborhood Improvement Area #2A-2 and, in the Neighborhood Improvement Area #3 Assessment Ordinance (as defined below), the City released such uncollected Neighborhood Improvement Area #2 Assessments that had been levied against Neighborhood Improvement Area #2A-2; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on September 8, 2020, regarding the levy of special assessments against benefitted property located within the third construction phase of the District ("Neighborhood Improvement Area #3"), and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2020-_____ (the "Neighborhood Improvement Area #3 Assessment Ordinance") on September 8, 2020; and

WHEREAS, in the Neighborhood Improvement Area #3 Assessment Ordinance, the City Council approved and accepted the Wells South Public Improvement District Amended and Restated Service and Assessment Plan, dated September 8, 2020 (as updated, amended, and/or restated, the "Service and Assessment Plan") relating to the District and levied special assessments (the "Neighborhood Improvement Area #3 Assessments") against the Neighborhood Improvement Area #3 Assessed Property as shown on the Neighborhood Improvement Area #3 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 #2 Assessments and the Neighborhood Improvement Area #3 Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #2 Improvements and the Neighborhood Improvement Area #3 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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance; 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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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 #2 Improvements and Neighborhood Improvement Area #3 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) between the City and the purchaser of the Bonds, (iv) approve an Preliminary Limited Offering Memorandum 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 #2 Improvements and the Neighborhood Improvement Area #3 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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of September 1, 2020, 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 and the City's land use attorney) 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, among 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 and the City's land use attorney, 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.

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 and the final Limited Offering Memorandum (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. 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 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, 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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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 #2 Improvements and the Neighborhood Improvement Area #3 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.

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]

PASSED AND ADOPTED, this September 8, 2020.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF SEPTEMBER 1, 2020

SECURING

\$ _____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)

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EXHIBIT A	A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of September 1, 2020 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 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

WHEREAS, in the indentures authorizing the Neighborhood Improvement Area #1 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 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 May 8, 2018, the City Council, by Resolution 2018-15R, made findings and determinations relating to the Actual Cost of certain Authorized Improvements allocable to the property within the District located in the second construction phase of the District ("Neighborhood Improvement Area #2"), received a preliminary update to the Service and Assessment Plan, including a proposed assessment roll for Neighborhood Improvement Area #2, called a public hearing for July 10, 2018, 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 July 10, 2018 public hearing, as required by Section 372.016(b) of the PID Act; and

WHEREAS, on May 11, 2018, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in the *Celina Record*, a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City, to consider the proposed "Neighborhood Improvement Area #2 Assessment Roll" and the "Wells South Public Improvement District 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 #2 and the levy of the "Neighborhood Improvement Area #2 Assessments" on property in Neighborhood Improvement Area #2 of the District; 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 Neighborhood Improvement Area #2 Assessment Roll and the Service and Assessment Plan and the levy of Neighborhood Improvement Area #2 Assessments on property in Neighborhood Improvement Area #2 of the District to the last known address of the owners of the property liable for the Neighborhood Improvement Area #2 Assessments; and

WHEREAS, the City Council convened the hearing on July 10, 2018, 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 proposed Neighborhood Improvement Area #2 Assessment Roll and the Neighborhood Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Neighborhood Improvement Area #2 Assessments, the allocation of the Actual Costs of the Neighborhood Improvement Area #2 Improvements, the purposes of the Neighborhood Improvement Area #2 Assessments, the special benefits of the Neighborhood Improvement Area #2 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Neighborhood Improvement Area #2 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. 2018-31 (the "Neighborhood Improvement Area #2 Assessment Ordinance"), which levied the Neighborhood Improvement Area #2 Assessments and approved and accepted the Service and Assessment Plan in

conformity with the requirements of the PID Act and the City Council found and determined that the Neighborhood Improvement Area #2 Assessments should be levied as provided in the Service and Assessment Plan and the Neighborhood Improvement Area #2 Assessment Roll; and

WHEREAS, the City, in the Neighborhood Improvement Area #2 Assessment Ordinance, deferred the collection of the Neighborhood Improvement Area #2 Assessments until the earlier of (1) the recording of a final subdivision plat with Collin County for the property subject to the Neighborhood Improvement Area #2 Assessments, (2) the issuance of bonds supported by the Neighborhood Improvement Area #2 Assessments, or (3) the second anniversary of the levy of the Neighborhood Improvement Area #2 Assessments; and

WHEREAS, on August 27, 2019, the City approved an update to the Service and Assessment Plan which, among other things, allocated the costs of certain improvements benefitting a portion of Neighborhood Improvement Area #2 to that portion of property subject to the Neighborhood Improvement Area #2 Assessments for which a final subdivision plat had been filed with Collin County, Texas which triggered the collection of the Neighborhood Improvement Area #2 Assessments levied against those specific lots; and

WHEREAS, on August 11, 2020, the City Council, by Resolution 2020-__R, made findings and determinations relating to the Actual Cost of certain Authorized Improvements allocable to the property within the District located in the third construction phase of the District ("Neighborhood Improvement Area #3"), received a preliminary "Wells South Public Improvement District Amended and Restated Service and Assessment Plan", including a proposed assessment roll for Neighborhood Improvement Area #3, called a public hearing September 8, 2020, and directed City staff to: (i) file said proposed assessment roll with the City Secretary and 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 8 2020 public hearing, as required by Section 372.016(b) of the PID Act; and

WHEREAS, on August __, 2020, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in the *Celina Record*, a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City, to consider the proposed "Neighborhood Improvement Area #3 Assessment Roll" and the Service and Assessment Plan, as updated for Neighborhood Improvement Area #3, and the levy of the "Neighborhood Improvement Area #3 Assessments" on property in Neighborhood Improvement Area #3 of the District; 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 Neighborhood Improvement Area #3 Assessment Roll and the Service and Assessment Plan, as updated for Neighborhood Improvement Area #3, and the levy of Neighborhood Improvement Area #3 Assessments on property in Neighborhood Improvement Area #3 of the District to the last known addresses of the owners of the property liable for the Neighborhood Improvement Area #3 Assessments; and

WHEREAS, the City Council convened the hearing on September 8, 2020, 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 proposed Neighborhood Improvement Area #3 Assessment Roll and the Neighborhood Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Neighborhood Improvement Area #3 Assessments, the allocation of the Actual Costs of the Neighborhood

Improvement Area #3 Improvements, the purposes of the Neighborhood Improvement Area #3 Assessments, the special benefits of the Neighborhood Improvement Area #3 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Neighborhood Improvement Area #3 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. 2020-_____ (the "Neighborhood Improvement Area #3 Assessment Ordinance"), which levied the Neighborhood Improvement Area #3 Assessments and approved and accepted the Service and Assessment Plan, as updated for Neighborhood Improvement Area #3 in conformity with the requirements of the PID Act and the City Council found and determined that the Neighborhood Improvement Area #3 Assessments should be levied as provided in the Service and Assessment Plan and the Neighborhood Improvement Area #3 Assessment Roll; and

WHEREAS, in the Neighborhood Improvement Area #3 Assessment Ordinance, the City also released that portion of the Neighborhood Improvement Area #2 Assessments levied against that portion of the property within Neighborhood Improvement Area #2 for which a final subdivision plat had not been filed with Collin County, Texas and which had not been previously collected;

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Neighborhood Improvement Area #2 Assessments and the Neighborhood Improvement Area #3 Assessments (collectively, the "Special Assessments") for the purpose of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #2 Improvements and the Neighborhood Improvement Area #3 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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance; 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 and the Major Improvement Area Bonds, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)" (the "Bonds"), such Bonds being payable solely from the Assessment Revenue and other funds pledged under this Indenture to the payment of the Bonds 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(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

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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

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;

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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Neighborhood Improvement Area #2 Improvement or Neighborhood Improvement Area #3 Improvement, as specified in a payment request in a 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 #2 Improvement or Neighborhood Improvement Area #3 Improvement, (b) costs incurred in preparing the construction plans for such Neighborhood Improvement Area #2 Improvement or Neighborhood Improvement Area #3 Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approval for such Neighborhood Improvement Area #2 Improvement or Neighborhood Improvement Area #3 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 #2 Improvement or Neighborhood Improvement Area #3 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 #2 Improvement or Neighborhood Improvement Area #3 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, 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 #2 Improvements and Neighborhood Improvement Area #3 Improvements. Special Assessments collected to by Administrative Expenses that are collected and not expensed in any year shall be carried forwarded 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 Rolls attached to the Service and Assessment Plan as Appendix D as it relates to the Neighborhood Improvement Area #2 Improvements and Appendix E as it relates to the Neighborhood Improvement Area #3 Improvements; 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 respective parcel of land located within Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 of the District against which a Special Assessment is levied by the Assessment Ordinances in accordance with the Service and Assessment Plan.

“Assessment Ordinances” means, collectively: (i) Ordinance No. 2018-31 adopted by the City Council on July 10, 2018, that levied the Neighborhood Improvement Area #2 Assessments on the Assessed Parcels located in Neighborhood Improvement Area #2 and (ii) Ordinance No. 2020-___ adopted by the City Council on September 8, 2020, that levied the Neighborhood Improvement Area #3 Assessments on the Assessed Parcels located in Neighborhood Improvement Area #3.

“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 Rolls” means, collectively, the Assessment Roll attached as Appendix E (with respect to Neighborhood Improvement Area #2) and Appendix F (with respect to Neighborhood Improvement Area #3) 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 Assessments against each Assessed Parcel related to the Bonds and the Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 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 the Outstanding Bonds is less than \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of the Outstanding Bond.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act including those listed in Section III.A 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 are 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. 2020-___ adopted by the City Council on September 8, 2020 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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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.

"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 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.

"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.

"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, 2021.

"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 Bonds pursuant to Section 4.4 of a principal amount of Bonds redeemed that is less than ten percent (10%) of the Outstanding principal amount of the Bonds.

"Neighborhood Improvement Area #2" means the second phase to be developed within the District and further identified and depicted in Appendix B-3 in the Service and Assessment Plan.

"Neighborhood Improvement Area #2 Assessments" means the aggregate assessments shown on the Neighborhood Improvement Area #2 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within the Neighborhood Improvement Area #2, as shown on the Neighborhood Improvement Area #2 Assessment Roll subject to: (a) reallocation upon the subdivision of an Assessed Parcel within Neighborhood Improvement Area #2 or consolidation of multiple Assessed Parcels within Neighborhood Improvement Area #2, or (b) reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Neighborhood Improvement Area #2 Assessment Roll" means the assessment roll attached as Appendix B-3 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 Neighborhood Improvement Area #2 Assessment against each Assessed Parcel within Neighborhood Improvement Area #2 related to the Bonds and the Neighborhood Improvement Area #2 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.

"Neighborhood Improvement Area #2 Improvement Account" means the Account of the Project Fund of such name established pursuant to Section 6.1.

"Neighborhood Improvement Area #2 Improvements" means the Public Improvements which will benefit the Assessed Parcels located within Neighborhood Improvement Area #2 of the District, as more particularly described in Section III-D of the Service and Assessment Plan.

"Neighborhood Improvement Area #3" means the third phase to be developed within the District and further identified and depicted in Appendix B-4 in the Service and Assessment Plan.

"Neighborhood Improvement Area #3 Assessment Ordinance" means Ordinance No. 2020-___ adopted by the City Council on September 8, 2020, that levied the Neighborhood Improvement Area #3 Assessments on the Assessed Parcels located in Neighborhood Improvement Area #3.

"Neighborhood Improvement Area #3 Assessments" means the aggregate assessments shown on the Neighborhood Improvement Area #3 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within the Neighborhood Improvement Area #3, as shown on the Neighborhood Improvement Area #3 Assessment Roll, subject to: (a) reallocation upon the subdivision of an Assessed Parcel within Neighborhood Improvement Area #3 or consolidation of multiple Assessed Parcels within Neighborhood Improvement Area #3, or (b) reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Neighborhood Improvement Area #3 Assessment Roll" means the assessment roll attached as Appendix B-4 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 Neighborhood Improvement Area #3 Assessment against each Assessed Parcel within Neighborhood Improvement Area #3 related to the Bonds and the Neighborhood Improvement Area #3 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.

"Neighborhood Improvement Area #3 Improvement Account" means the Account of the Project Fund of such name established pursuant to Section 6.1.

"Neighborhood Improvement Area #3 Improvements" means the Public Improvements which will benefit the Assessed Parcels located within Neighborhood Improvement Area #3 of the District, as more particularly described in Section III-E 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 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 Public Improvements within Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 in 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 Public 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 an Assessed Parcel 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 Parcels.

"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.

"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 [Maximum 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 Rolls, as amended, including any Annual Service Plan Update, which is attached as to the Neighborhood Improvement Area #3 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 Neighborhood Improvement Area #2 Assessments and Neighborhood Improvement Area #3 Assessments, as shown on the respective Assessment Rolls. 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 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 Bonds pursuant to Section 4.4 of a principal amount of Bonds redeemed that is greater than or equal to ten percent (10%) of the Outstanding principal amount of the Bonds.

“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.

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 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 #2 Improvements and the Neighborhood Improvement Area #3 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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated September 30, 2020 (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, 2021 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:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate (%)</u>
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(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.

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 Ordinances;
- (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 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 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 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, including the provisions of Title 6 of the Texas Property Code, as amended.

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, including the provisions of Title 6 of the Texas Property Code, as amended.

(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 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.

(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 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 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.

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 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

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
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(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, 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 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 a price of par, plus accrued and unpaid interest to the date of redemption (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 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 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 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 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.

(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 corporate trust 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 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; and

(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 #2 Improvement Account;

(B) Neighborhood Improvement Area #3 Improvement Account; and

(C) 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 District Administration Account of the Administrative Fund: \$_____;
- (iv) to the Costs of Issuance Account of the Project Fund: \$_____;
- (v) to the Neighborhood Improvement Area #2 Improvement Account of the Project Fund: \$_____; and
- (vi) to the Neighborhood Improvement Area #3 Improvement Account of the Project 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, 2021, the City shall deposit or cause to be deposited the Pledged 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, (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 costs of the Neighborhood Improvement Area #2 Improvement and Neighborhood Improvement Area #3 Improvements, and (e) 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, 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 Sinking Fund Installments) and/or interest then due and payable on the Bonds less any amount to be used to pay the 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(g) 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 to either the Neighborhood Improvement Area #2 Improvement Account of the Project Fund or the Neighborhood Improvement Area #3 Improvement Account of the Project Fund, pursuant to directions provided in a City Certificate, or, if both the Neighborhood Improvement Area #2 Improvement Account and the Neighborhood Improvement Area #3 Improvement Account of the Project Fund have been closed as provided in Section 6.5(f) 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. Notwithstanding any other provisions, money on deposit in the Neighborhood Improvement Area #2 Improvement Account of the Project Fund shall only be used to pay Actual Costs of the Neighborhood Improvement Area #2 Improvements and money on deposit in the Neighborhood Improvement Area #3 Improvement Account of the Project Fund shall only be used to pay Actual Costs of Neighborhood Improvement Area #3 Improvements.

(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 #2 Improvement Account of the Project Fund to pay Actual Costs 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. Disbursements from the Neighborhood Improvement Area #3 Improvement Account of the Project Fund to pay Actual Costs 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 #2 Improvement Account and the Neighborhood Improvement Area #2 Improvement Account shall be pursuant to and 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 #2 Improvement Account of the Project Fund are not expected to be expended for purposes of the Neighborhood Improvement Area #2 Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of the Neighborhood Improvement Area #2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Neighborhood Improvement Area #2 Improvement Account of the Project Fund will ever be expended for the purposes of the Neighborhood Improvement Area #2 Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Neighborhood Improvement Area #2 Improvement Account of the Project Fund that are not expected to be used for purposes of the Neighborhood Improvement Area #2 Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Neighborhood Improvement Area #2 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Neighborhood Improvement Area #3 Improvement Account of the Project Fund are not expected to be expended for purposes of the Neighborhood Improvement Area #3 Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of the Neighborhood Improvement Area #3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Neighborhood Improvement Area #3 Improvement Account of the Project Fund will ever be expended for the purposes of the Neighborhood Improvement Area #3 Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Neighborhood Improvement Area #3 Improvement Account of the Project Fund that are not expected to be used for purposes of the Neighborhood Improvement Area #3 Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Neighborhood Improvement Area #3 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.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Certificate stating that all Neighborhood Improvement Area #2 Improvements have been completed and that all Actual Costs of the Neighborhood Improvement Area #2 Improvements have been paid, or that any such Actual Costs of the Neighborhood Improvement Area #2 Improvements are not required to be paid from the Neighborhood Improvement Area #2 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 #2 Improvement Account of the Project Fund to the Bond Fund and (ii) the Neighborhood Improvement Area #2 Improvement Account of the Project Fund shall be closed. Upon the filing of a City Certificate stating that all Neighborhood Improvement Area #3 Improvements have been completed and that all Actual Costs of the Neighborhood Improvement Area #3 Improvements have been paid, or that any such Actual Costs of the Neighborhood Improvement Area #3 Improvements are not required to be paid from the Neighborhood Improvement Area #3 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 #3 Improvement Account of the Project Fund to the Bond Fund and (ii) the Neighborhood Improvement Area #3 Improvement Account of the Project Fund shall be closed. If both the Neighborhood Improvement Area #2 Improvement Account and the Neighborhood Improvement Area #3 Improvement Account have 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(h), the Project Fund shall be closed.

(g) 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.

(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, 2021, 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 begin collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to begin 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 Rolls 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. 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.

(c) Whenever a transfer is made from the Reserve Account 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 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 and 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.

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 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 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 Parcels in Neighborhood Improvement Area #2 and in Neighborhood Improvement Area #3 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 Ordinances, 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 costs of the Neighborhood Improvement Area #2 Improvements or the Neighborhood Improvement Area #3 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 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 bonds issued to refund all or a portion of the 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 bonds issued to refund all or a portion of the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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 #2 Improvements or the Neighborhood Improvement Area #3 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 holder or holders 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 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.

"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 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 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.

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 Ordinances, 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 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

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 or 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. 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 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 gross 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 #2 Improvements or the Neighborhood Improvement Area #3 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.

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' 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.

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.

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

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

(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. 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 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.

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.

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 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 money damages against the City may be sought or shall be permitted.

(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 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 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.

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.

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.

(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 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.

(b) Other than bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of 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.

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 Pledged Revenues, the Pledged Funds, 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
INDENTURESection 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.

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 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 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 or 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
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.

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.

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, to the extent this Indenture with the City is a contract for goods or services, will not boycott Israel during the term thereof. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, as amended, 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. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee 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 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. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

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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 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)*

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

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 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT
AREAS #2-3 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20____	_____	_____

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, 2021, 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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

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 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 September 1, 2020 issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of September 1, 2020 (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 #2 Improvements and the Neighborhood Improvement Area #3 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 #2 Improvements and the Neighborhood Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance.

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 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

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

At least forty-five (45) days prior to each sinking fund redemption date, 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 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.

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.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, COLLIN COUNTY, 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.

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

(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:

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.

Authorized Signatory

(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:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B
BOND PURCHASE AGREEMENT

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

**§[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)**

BOND PURCHASE AGREEMENT

September 8, 2020

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 §[PRINCIPAL] aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)” (the “Bonds”), at a purchase price of \$[] (representing the aggregate principal amount of the Bonds, [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

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 #2 Improvements and Neighborhood Improvement Area #3 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 September 30, 2020, 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 [September 30], 2020 (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 8], 2020 (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 September 1, 2020, 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 (i) special assessments (the “Neighborhood Improvement Area #2 Assessments”) levied pursuant to a separate ordinance adopted by the City Council on July 10, 2018 (the “Neighborhood Improvement Area #2 Assessment Ordinance”) against assessable property (the “Neighborhood Improvement Area #2 Assessed Property”) located within Neighborhood Improvement Area #2 (as defined in the Indenture) and (ii) special assessments (the “Neighborhood Improvement Area #3 Assessments”) and together with the Neighborhood Improvement Area #2 Assessments, the “Special Assessments”) levied pursuant to a separate ordinance adopted by the City Council on September 8, 2020 (the “Neighborhood Improvement Area #3 Assessment Ordinance” and together with the Neighborhood Improvement Area #2 Assessment Ordinance, the “Assessment Ordinances”) against assessable property (the “Neighborhood Improvement Area #3 Assessed Property”), located within Neighborhood Improvement Area #3 (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 initial 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 8, 2020 (the “Service and Assessment Plan”). The Creation Resolution, the Assessment Ordinances, 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 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 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 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 [____], 2020 (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.

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 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 #2 IMPROVEMENTS,” “THE NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “APPRAISAL,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Neighborhood Improvement Area #2 Improvements, Neighborhood Improvement Area #3 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:

(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 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 September 1, 2020 (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 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 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 Neighborhood Improvement Area #2 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 Neighborhood Improvement Area #2 Assessment Roll (as defined in the Service and Assessment Plan). The Neighborhood Improvement Area #3 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 Neighborhood Improvement Area #3 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.

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 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 2, LLC, a Texas limited liability company (the “Neighborhood Improvement Area #2 Developer”), and Lilyana Phase 3, LLC, a Texas limited liability company (the “Neighborhood Improvement Area #3

Developer,” and together with the Neighborhood Improvement Area #2 Developer and 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.

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”), Haynes and Boone, LLP (“Developer’s Co-Counsel”), and Chief

Corporate Counsel to Developer (“Chief Corporate 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 September 1, 2020, 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 #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the 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 Neighborhood Improvement Area #2 Developer or the Neighborhood Improvement Area #3 Developer to pay the respective 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 House 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 House of the Congress of the United States by a Committee of such House 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 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 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.

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" (except for the second and third paragraphs thereof), "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 Ordinances (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 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 Special Counsel, substantially in the form of Appendix D-1 hereto, dated the Closing Date, (ii) an opinion of Developer’s Co-Counsel, substantially in the form of Appendix D-2 hereto, dated the Closing Date, and (iii) an opinion of Chief Corporate Counsel, substantially in the form of Appendix D-3 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 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 September 8, 2020, 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 Preliminary Limited Offering Memorandum and as of [September 8], 2020, 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.

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 #2 and Neighborhood Improvement Area #3 of the District dated August 14, 2020.

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 (i) the Neighborhood Improvement Area #2 Assessment Ordinance, including the legal description of the property within Neighborhood Improvement Area #2, the Neighborhood Improvement Area #2 Assessment Roll and (ii) the Neighborhood Improvement Area #3 Assessment Ordinance, including the legal description of the property within Neighborhood Improvement Area #3, the Neighborhood Improvement Area #3 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 North Dallas Bank & Trust in recordable form, acknowledging the creation of the District and consenting to and acknowledging the adoption of the Neighborhood Improvement Area #3 Assessment Ordinance, the levy of the Neighborhood Improvement Area #3 Assessments, and the subordination of its lien to the lien created by the Neighborhood Improvement Area #3 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.

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 Special Counsel, Developer's Co-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 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.

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. 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, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable state or 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. The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable state or federal law and excludes the Underwriter and 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. The Underwriter understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

23. 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 “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.

24. 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.

[Signature pages follow]

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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

Accepted at _____ a.m./p.m. central time on the
date first stated above.

City of Celina, Texas

By: _____
Mayor

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

SCHEDULE I

\$[PRINCIPAL]

CITY OF CELINA, TEXAS

(a municipal corporation of the State of Texas located in Collin and Denton Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020

(Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)

Dated Date: September 30, 2020

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[]

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Installment</u>	<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Installment</u>
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[]

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Installment</u>	<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$	September 1, 20__	\$
September 1, 20__		September 1, 20__	
September 1, 20__		September 1, 20__†	

† Stated Maturity

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$(PRINCIPAL)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)

DEVELOPER LETTER OF REPRESENTATIONS

September 8, 2020

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 \$_____ “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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”), Lilyana Phase 2, LLC, a Texas limited liability company (the “Neighborhood Improvement Area #2 Developer”), and Lilyana Phase 3, LLC, a Texas limited liability company (the “Neighborhood Improvement Area #3 Developer”), collectively referred to as 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.

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 #2 IMPROVEMENTS,” “THE NEIGHBORHOOD IMPROVEMENT AREA #3 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 #2 Improvements, the Neighborhood Improvement Area #3 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 G” (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), 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; and

d. the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of _____, 2020, 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.

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 #2 Improvements and the Neighborhood Improvement Area #3 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 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.]

Celina Development, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

Lilyana Phase 2, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

Lilyana Phase 3, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

APPENDIX B

§ _____
**CITY OF CELINA, TEXAS,
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
 (WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
 NEIGHBORHOOD IMPROVEMENT AREAS #2-3 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

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 8, 2020.

(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.]

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: [____], 2020

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

SCHEDULE B**PRICING WIRE OR EQUIVALENT COMMUNICATION***(Attached)***Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)**

APPENDIX C

[LETTERHEAD OF MESSER, FORT & MCDONALD, PLLC]

[September 30, 2020]

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

Haynes & Boone, LLP
1221 McKinney Street
Houston, Texas 77010

Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218

§ _____
**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 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 \$[PRINCIPAL] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)” (the “Bonds”), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. 2020-__, enacted by the City Council of the City (the “City Council”) on September 8, 2020 (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 September 1, 2020 (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 8, 2020 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:

(a) Resolution No. 2015-34R (the “Creation Resolution”), enacted by the City Council on July 14, 2015;

(b) Ordinance No. 2018-31, accepted and approved by the City Council on July 10, 2018 (the “Neighborhood Improvement Area #2 Assessment Ordinance”), and Ordinance No. [____], accepted and approved by the City Council on September 8, 2020 (the “Neighborhood Improvement Area #3 Assessment Ordinance”, and together with the Neighborhood Improvement Area #2 Assessment Ordinance, the “Assessment Ordinances”), 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 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 September 1, 2020 (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 Ordinances, 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 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, co-counsel to the Developer; (f) the legal opinion delivered pursuant to the Bond Purchase Agreement by Shupe Ventura, PLLC, special counsel to the Developer; (g) the legal opinion delivered pursuant to the Bond Purchase Agreement by Chief Corporate Counsel and Compliance Officer at Hillwood Development Company, LLC (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 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 Neighborhood Improvement Area #2 Assessments and Neighborhood Improvement Area #3 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 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.

(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, 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]

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) Shupe Ventura, PLLC, special counsel to the Developer; (iii) Orrick, Herrington & Sutcliffe, LLP counsel to the Underwriter; (iv) Haynes and Boone, LLP, co-counsel to the Developer; and (v) Chief Corporate Counsel and Compliance Officer at Hillwood Development Company, LLC.

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).

APPENDIX D-1

[LETTERHEAD OF HAYNES AND BOONE, LLP
CO-COUNSEL TO THE DEVELOPER.]

[September 30], 2020

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

\$ _____
**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)**

Ladies and Gentlemen:

We have served as Co-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**”), the sole member of Lilyana Phase 2, LLC, a Texas limited liability company (the “**Neighborhood Improvement Area #2 Developer**”), and Lilyana Phase 3, LLC, a Texas limited liability company (the “**Neighborhood Improvement Area #3 Developer**”), collectively referred to as the “**Developer**” in connection with the issuance and sale by the City of Celina, Texas (the “**City**”), of \$ _____ “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)” (the “**Bonds**”), pursuant to that certain Indenture of Trust dated as of September 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 8, 2020 (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.

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 Co-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 8, 2020; and
- (4) the Continuing Disclosure Agreement of the Developer with respect to the Bonds dated as of September 1, 2020, 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, the Neighborhood Improvement Area #2 Developer, and the Neighborhood Improvement Area #3 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, the Neighborhood Improvement Area #2 Developer, and the Neighborhood

Improvement Area #3 Developer to transact business in Texas was “**active**” (each, an “**FTAS Page**,” and collectively, the “**FTAS Pages**”);

(e) The Preliminary Limited Offering Memorandum, dated _____, 2020, relating to the issuance of the Bonds (the “**Preliminary Limited Offering Memorandum**”);

(f) The final Limited Offering Memorandum, dated _____, 2020, 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 #2 Developer, the Neighborhood Improvement Area #3 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:

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 #2 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 Neighborhood Improvement Area #3 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.

4. 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.

5. 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**") [confirm] 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.

6. 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).

7. 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.

8. 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 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.

9. 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**,” “**THE NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS**,” “**THE NEIGHBORHOOD IMPROVEMENT AREA #3 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 #2 Improvements, the Neighborhood Improvement Area #3 Improvements and the Development), “**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 _____, 2020, 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.

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,

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.

EXHIBIT A**ATTACHMENT TO OPINION OF CO-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 _____, 2020;

(iii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020, 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 _____, 2020;

(viii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020, 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 _____, 2020;

(xii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020 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;

(xv) Certificate of Fact with respect to the existence of Master Developer, dated _____, 2020;

(xvi) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020, 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 #2 Developer, certified by the Secretary of State of the State of Texas on March 20, 2017;

(xx) Certificate of Fact with respect to the existence of Neighborhood Improvement Area #2 Developer, dated _____, 2020;

(xxi) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020 at _____ .m., which statement indicates that, as of the date and time thereof, the right of the Neighborhood Improvement Area #2 Developer to transact business in Texas is “**active**”;

(xxii) Limited Liability Company Agreement of the Neighborhood Improvement Area #2 Developer, dated March 20, 2017; and

(xxiii) Written Consent of the Members of Neighborhood Improvement Area #2 Developer, dated on or about the date hereof;

(xxiv) Certificate of Formation of Neighborhood Improvement Area #3 Developer, certified by the Secretary of State of the State of Texas on April 20, 2018, as amended on January 24, 2020;

(xxv) Certificate of Fact with respect to the existence of Neighborhood Improvement Area #3 Developer, dated _____, 2020;

(xxvi) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2020 at _____ .m., which statement indicates that, as of the date and time thereof, the right of the Neighborhood Improvement Area #3 Developer to transact business in Texas is “**active**”;

(xxvii) Limited Liability Company Agreement of the Neighborhood Improvement Area #3 Developer, dated April 20, 2018, as amended on January 24, 2020; and

(xxviii) Written Consent of the Members of Neighborhood Improvement Area #3 Developer, dated on or about the date hereof.

APPENDIX D-2

[LETTERHEAD OF SHUPE VENTURA, PLLC]

[_____, 2020]

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

**\$[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)**

Ladies & Gentlemen:

We have acted as special counsel to Celina Development, LLC, a Texas limited liability company (the “*Master Developer*”), Lilyana Phase 2, LLC, a Texas limited liability company (the “*Neighborhood Improvement Area #2 Developer*”), and Lilyana Phase 3, LLC, a Texas limited liability company (the “*Neighborhood Improvement Area #3 Developer*”), collectively referred to as the “*Developer*” in connection with the issuance and sale by the City of Celina, Texas (the “*City*”), of \$[PRINCIPAL] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)” (the “*Bonds*”), pursuant to that certain Indenture of Trust dated as of September 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.

The Bonds are being sold to FMSbonds, Inc. (the “*Underwriter*”), pursuant to that certain Bond Purchase Agreement dated September 8, 2020 (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.

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 8, 2020; and
 - (4) the *Continuing Disclosure Agreement of the Developer* with respect to the Bonds dated as of September 1, 2020, 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 _____, 2020, relating to the issuance of the Bonds;
- (c) The final *Limited Offering Memorandum* dated _____, 2020, 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, co-counsel to the Developer; 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 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.

(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; (xxiii) 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.

(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,

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; (iii) Orrick, Herrington & Sutcliffe, LLP counsel to the Underwriter; and (iv) Haynes and Boone, LLP, co-counsel to the Developer.

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.

APPENDIX D-3

[LETTERHEAD OF CHIEF CORPORATE COUNSEL TO HILLWOOD]

[September 30, 2020]

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

§ _____
**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)**

Ladies and Gentlemen:

I am the Chief Corporate Counsel for Hillwood Development Company, LLC, a Texas limited liability company, the 100% owner of RE Project Manager, LLC, a Texas limited liability company, the sole general partner of RE Project, LP, a Texas limited partnership, the sole managing member of Celina Development, LLC, a Texas limited liability company, the sole member of Lilyana Phase 2, LLC, a Texas limited liability company and Lilyana Phase 3, LLC, a Texas limited liability company, (collectively referred to as the “**Developer**”).

This opinion is being delivered pursuant to Section 9(b)(iv) of the Bond Purchase Agreement dated as of September 8, 2020 between the City of Celina, Texas (the “**City**”) and FMSbonds, Inc. relating to the § _____ “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project)” (the “**Bonds**”). 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 the Wells South Public Improvement District. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Purchase Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of 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;

- (2) The Development Agreement;
- (3) The Developer Letter of Representations; and
- (4) The Continuing Disclosure Agreement of the Developer.

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Developer, or otherwise actually known to us in any court of law or equity, or before or by any governmental instrumentality 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 execution and delivery of the Material Documents on behalf of the Developer; (vi) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vii) 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; and

The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the caption “**LEGAL MATTERS – Litigation – The Developer**” adequately and fairly describes the information summarized under such caption and is correct as to matters of law.

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,

Steve Parker
Chief Corporate Counsel
Hillwood Development Company, LLC

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

EXHIBIT E

CLOSING CERTIFICATE OF DEVELOPER

Celina Development, LLC, a Texas limited liability company (the "*Master Developer*"), Lilyana Phase 2, LLC, a Texas limited liability company (the "*Neighborhood Improvement Area #2 Developer*"), and Lilyana Phase 3, LLC, a Texas limited liability company (the "*Neighborhood Improvement Area #3 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 #2 Developer is a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

3. The Neighborhood Improvement Area #3 Developer is a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

4. 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 \$[PRINCIPAL] aggregate principal amount of Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project) (the "*Bonds*"), pursuant to the Preliminary Limited Offering Memorandum, dated _____, 2020 (the "*Preliminary Limited Offering Memorandum*"), and Limited Offering Memorandum dated _____, 2020 (the "*Limited Offering Memorandum*").

5. 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.

6. 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.

7. 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 8, 2020;

(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 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 September 1, 2020, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure, a division of Hilltop Securities Inc., as Dissemination Agent.

8. The Neighborhood Improvement Area #2 Developer owned all of the Neighborhood Improvement Area #2 Assessed Property (as defined in the Service and Assessment Plan) located in Neighborhood Improvement Area #2 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.

9. The Neighborhood Improvement Area #3 Developer owned all of the Neighborhood Improvement Area #3 Assessed Property (as defined in the Service and Assessment Plan) located in Neighborhood Improvement Area #3 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.

10. 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.

11. 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.

12. 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.

13. 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 #2 IMPROVEMENTS," "THE NEIGHBORHOOD IMPROVEMENT AREA #3 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 #2 Improvements, the Neighborhood Improvements Area #3 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 G" 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 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.

14. 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.

15. 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.

16. The levy of the Neighborhood Improvement Area #2 Assessments on property in Neighborhood Improvement Area #2 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.

17. The levy of the Neighborhood Improvement Area #3 Assessments on property in Neighborhood Improvement Area #3 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.

18. 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.

19. 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.]

Dated: _____

DEVELOPER:

Celina Development, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

Lilyana Phase 2, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

Lilyana Phase 3, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

APPENDIX F

[LETTERHEAD OF INTEGRA REALTY RESOURCES – DFW]

[_____] , 2020

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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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 [_____] , 2020 and the Limited Offering Memorandum for the Bonds, dated [_____] , 2020 (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 #2 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 [September 30,] 2020) which would render any such information in the Limited Offering

Memorandum 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: _____

APPENDIX G

[LETTERHEAD OF MUNICAP, INC.]

[____], 2020

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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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 [____], 2020, and the final Limited Offering Memorandum for the Bonds, dated [____], 2020 (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 [September 30], 2020) 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.

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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of September 1, 2020 (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 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 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 Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of September 1, 2020, 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 City or 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 City 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.

“Annual Service Plan Update” shall have the meaning assigned to such term in Section 4(a)(ii) of this Disclosure Agreement.

“Assessed Parcel” means for each respective parcel of land located within Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 of the District against which a Special Assessment is levied.

“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 #2 Developer, the Neighborhood Improvement Area #3 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 September 1, 2020 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.

“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 #2” means the second phase of development within the District and further identified and depicted in Table II-B in the Service and Assessment Plan.

“Neighborhood Improvement Area #2 Assessments” shall have the meaning assigned to such term in the Indenture.

“Neighborhood Improvement Area #2 Developer” means Lilyana Phase 2, LLC, a Texas limited liability company, its successors and assigns.

“Neighborhood Improvement Area #2 Improvements” shall have the meaning assigned to such term in the Indenture.

“Neighborhood Improvement Area #3” means the third phase of development within the District and further identified and depicted in Table II-B in the Service and Assessment Plan.

“Neighborhood Improvement Area #3 Assessments” shall have the meaning assigned to such term in the Indenture.

“Neighborhood Improvement Area #3 Developer” means Lilyana Phase 3, LLC, a Texas limited liability company, its successors and assigns.

“Neighborhood Improvement Area #3 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 Neighborhood Improvement Area #2 Assessments and Neighborhood Improvement Area #3 Assessments.

“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, 2020, 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 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.

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 Neighborhood Improvement Area #2 Assessments levied within Neighborhood Improvement Area #2 and the Neighborhood Improvement Area #3 Assessments levied within Neighborhood Improvement Area #3, such Annual Service Plan Update shall include the number of new homes completed in Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 during such Fiscal Year and the aggregate number of new homes completed within Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2020.

(iii) The individual and aggregate taxable assessed valuation for parcels or lots within Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 based on the most recent certified tax roll available to the Issuer.

(iv) For Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3, 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 #2 and Neighborhood Improvement Area #3:

(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

(E) prepaid Special Assessments collected.

(vi) The current or delinquent status of the payment of the Special Assessment for each parcel or lot in Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 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 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 #2 or Neighborhood Improvement Area #3 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.

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 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 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 Neighborhood Improvement Area #2 Assessments collected from the property owners in Neighborhood Improvement Area #2 of the District or from the Neighborhood Improvement Area #3 Assessments collected from the property owners in Neighborhood Improvement Area #3 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.

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 Neighborhood Improvement Area

#2 Assessments collected from the property owners in Neighborhood Improvement Area #2 of the District or from Neighborhood Improvement Area #3 Assessments collected from the property owners in Neighborhood Improvement Area #2 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. Pursuant to Section 2270.002, Texas Government Code, the Dissemination Agent hereby verifies that neither the Dissemination Agent, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent, if any, boycotts Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable state or 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. The Dissemination Agent understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent represents that neither the Dissemination Agent, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable state or federal law and excludes the Dissemination Agent and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent, 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 state or federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 21. 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.

CITY OF CELINA, TEXAS
(as Issuer)

By: _____
City Manager

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)

S-1

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(NEIGHBORHOOD IMPROVEMENT AREAS #2-3 PROJECT)

S-2

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 2020
 (Wells South Public Improvement District Neighborhood
 Improvement Areas #2-3 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 _____, 20__, 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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREAS #2-3 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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

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]

EXHIBIT C

**BASIC TIMELINE FOR SPECIAL ASSESSMENT COLLECTIONS
AND PURSUIT OF DELINQUENCIES**

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
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: Bond Ordinance (with attachments) (Wells South PID Neighborhood Improvement Areas #2-3 Bond Ordinance)

March 1 29/30

the collection-foreclosure procedure will proceed against all delinquent properties.

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,

		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.



Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Raha Pouladi, Senior Planner
CC: Jason Laumer, City Manager
Date: September 8, 2020
Re: Sutton Fields II PID NIA#4 Bond Ordinance

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 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project); approving and authorizing related agreements and an amended and restated service and assessment plan; and providing an effective date. (Sutton Fields II PID NIA#4 Bond Ordinance) (Pouladi)

Background Information:

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:

- Bond Ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2020-__

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (SUTTON FIELDS PUBLIC IMPROVEMENT DISTRICT II 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 "Sutton Fields II Public Improvement District" (the "District"), pursuant to Resolution No. 2015-51R adopted by the City Council of the City (the "City Council") on October 13, 2015; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on July 14, 2020, 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. 2020-51 (the "Neighborhood Improvement Area #4 Assessment Ordinance") on July 14, 2020; and

WHEREAS, in the Neighborhood Improvement Area #4 Assessment Ordinance, the City Council approved and accepted the Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan dated June 13, 2017, as updated for Neighborhood Improvement Area #3 on June 11, 2019, as updated for Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3 on September 10, 2019, and as updated for Neighborhood Improvement Area #4 on July 14, 2020 (as updated, amended, and/or restated, the "Service and Assessment Plan") relating to the District and levied special assessments (the "Special Assessments") against the Neighborhood Improvement Area #4 Assessed Property, as shown on the Neighborhood Improvement Area #4 Assessment Roll that was 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 Special 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 organization of the District, and (v) paying costs of issuance; 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 2020 (Sutton Fields Public Improvement District II 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) between the City and the purchaser of the Bonds, (iv) approve an Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (defined below), (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below) and (vi) approve the form, terms, and provisions of the Service and Assessment Plan Update (defined below), as updated for the Bonds; 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 organization of the District, and (v) paying costs of issuance, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of September 1, 2020, 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 and the City's land use attorney) 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, among 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 and the City's land use attorney, 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.

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 and the final Limited Offering Memorandum (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. 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 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 described in the Limited Offering Memorandum), the Developer (as defined in the Limited Offering Memorandum) or their financial ability, 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 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project) Continuing Disclosure Agreement of the Issuer" (the "Continuing Disclosure Agreement") between the City, MuniCap, Inc., 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. That certain "Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan" dated June 13, 2017, as updated on June 11, 2019, September 10, 2019, July 14, 2020 and September 8, 2020 (as updated, the "Service and Assessment Plan Update") is hereby authorized and approved in substantially the form attached hereto as Exhibit D which is incorporated herein as a part hereof for all purposes and the City Manager, Mayor and Mayor Pro Tem of the City is each hereby authorized and directed to deliver such Service and Assessment Plan Update with such changes as may be required to carry out the purposes of this Ordinance. The Service and Assessment Plan Update, including the method of assessment, is approved and adopted as the service and assessment plan for the District, including Neighborhood Improvement Area #4 of the District and the Neighborhood Improvement Area #4 Assessment Roll attached thereto as Appendix H sets forth the Special Assessments levied against the Neighborhood Improvement Area #4 Assessed Property which are hereby approved as an act and deed of the City Council. The City Secretary is hereby

directed to file the Service and Assessment Plan Update in the real property records of Collin County, Texas.

SECTION 6. Additional Actions. The Mayor, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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, Mayor Pro Tem, the City Manager, the Assistant City Manager, 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 7. 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.

SECTION 8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9. 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 10. 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 11. 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 12. 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.

PASSED AND ADOPTED, this September 8, 2020.

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF SEPTEMBER 1, 2020

SECURING

\$ _____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of September 1, 2020 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 (defined herein) 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 within the corporate limits and extraterritorial jurisdiction of the City to be known as the Sutton Fields II 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 Denton Central Appraisal District, and the signature of the property owner of 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 October 13, 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 October 13, 2015 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2015-51R 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

WHEREAS, on October 15, 2015, the City published notice of its authorization of the District in the *Dallas Morning News*, 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 October 15, 2015; and

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #1 Project), which are secured by certain assessments levied against assessable 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 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-5 Major Improvement Project) (the “Major Improvement Area Bonds”), which are secured by certain assessments levied against all assessable property within the District, with the exception of Neighborhood Improvement Area #1 (the “Major Improvement Area”); and

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-3 Project), which are secured by certain assessments levied against property located within the second and third construction phase of the District; and

WHEREAS, on June 9, 2020, the City Council by Resolution No. 2020-37R made findings and determinations relating to the Actual Costs of certain authorized improvements (the "Neighborhood Improvement Area #4 Improvements") that will benefit property located within the fourth construction phase of the District ("Neighborhood Improvement Area #4"), received and accepted a preliminary service and assessment plan and proposed assessment roll for Neighborhood Improvement Area #4 (the "Neighborhood Improvement Area #4 Assessment Roll"), called a public hearing for July 14, 2020 and directed City staff to (i) file said proposed Neighborhood Improvement Area #4 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 relating to the July 14, 2020, hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on July 19, 2020 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 and in the extraterritorial jurisdiction of the City in which the District is located, to consider the proposed Neighborhood Improvement Area #4 Assessment Roll and the "Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan" (as updated or amended from time to time, the "Service and Assessment Plan"), and the levy of the assessments on assessable property within Neighborhood Improvement Area #4 (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 Neighborhood Improvement Area #4 Assessment Roll and the Service and Assessment Plan and the levy of the Special Assessments on property in the District to the last known address of the owners of the property liable for the Special Assessments; and

WHEREAS, the City Council opened and convened the hearing on July 14, 2020, 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 proposed Neighborhood Improvement Area #4 Assessment Roll and the Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the Special Assessments, the allocation of 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 the Special Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs of the Neighborhood Improvement Area #4 Improvements, the Neighborhood Improvement Area #4 Assessment Roll, and the levy of the 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, and on July 14, 2020, the City Council approved Ordinance No. 2020-51 (the "Neighborhood Improvement Area #4 Assessment Ordinance"), which approved and accepted the Service and Assessment Plan, as updated for Neighborhood Improvement Area #4, in

conformity with the requirements of the PID Act as the service and assessment plan for Neighborhood Improvement Area #4 and levied the Special Assessments as provided in the Service and Assessment Plan and the Neighborhood Improvement Area #4 Assessment Roll; and

WHEREAS, the City Council is authorized by the PID Act to issue 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 organization of the District, and (v) paying the costs of issuance; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"), such Bonds being payable solely from the Pledged Revenues and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, the Bonds are "Additional Obligations" as defined by that certain Indenture of Trust dated as of December 1, 2015 by and between the City and the Trustee relating to the Major Improvement Area Bonds (the "2015 Indenture") and the prerequisites required to be satisfied in order to issue Additional Obligations, as set forth in Section 13.2(c) of the 2015 Indenture, will be satisfied upon the issuance of the Bonds; 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

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;

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price 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" means, with respect to the Neighborhood Improvement Area #4 Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Neighborhood Improvement Area #4 Improvements, as specified in a Neighborhood Improvement Area #4 Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Neighborhood Improvement Area #4 Improvements, (b) the costs of preparing the construction plans for such Neighborhood Improvement Area #4 Improvements, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Neighborhood Improvement Area #4 Improvements, (d) the costs for external professional costs associated with such Neighborhood Improvement Area #4 Improvements, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and 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 Neighborhood Improvement Area #4 Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, and 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 Neighborhood Improvement Area #4 Certification for Payment that has been reviewed and approved by the City. 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.

"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 administrated 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 notes or time warrants 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 Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

"Administrator" means an employee or 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.

"Administrative Expenses" mean 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) creating and organizing the District, 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 District, (iii) computing, levying, billing and collecting Special Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Special Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the

Bonds (vii) investing or depositing of monies, (viii) complying with the PID Act and codes with respect to the Bonds, (ix) the Trustee fees and expenses relating to the Bonds, including other reasonable fees, (x) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (xi) administering the construction of the Neighborhood Improvement Area #4 Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"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 Assessment as shown on the Assessment Rolls attached to the Service and Assessment Plan as Appendix H as it relates to the Neighborhood Improvement Area #4 Improvements, 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 against which an Special Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessment Ordinance" means Ordinance No. 2020-51 adopted by the City Council on July 14, 2020, that levied the Neighborhood Improvement Area #4 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 Rolls" means the Neighborhood Improvement Area #4 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 Assessments against each Assessed Parcel related to the Bonds and the 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 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-F 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. 2020-__ adopted by the City Council on September 8, 2020 authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account of such name 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(a) of this Indenture entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II 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.

“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 CADG Sutton Fields, LLC, a Texas limited liability company (including 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.

“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, 2021.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided that such 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 Bonds pursuant to Section 4.4. of a principal amount of Bonds redeemed that is less than ten percent (10%) of the Outstanding principal amount of the Bonds.

“Neighborhood Improvement Area #4” means the fourth Neighborhood Improvement Area to be developed within the District and further identified and described in the Service and Assessment Plan.

“Neighborhood Improvement Area #4 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 Neighborhood Improvement Area #4 Assessment against each Assessed Parcel located within Neighborhood Improvement Area #4 of the District related to the Bonds and the 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.

“Neighborhood Improvement Area #4 Certification for Payment” means a certificate substantially in the form of Exhibit B attached to the Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement or otherwise approved by the Developer and the City Representative executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof related to Neighborhood Improvement Area #4 Improvements, and requesting payment for such Actual Costs of the Neighborhood Improvement Area #4 Improvements from money on deposit in the Neighborhood Improvement Area #4 Improvement Account of the Project Fund as further described in the Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement and Section 6.5 herein.

“Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement” means the “Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of July 14, 2020 which relates to the levying and collection of Neighborhood Improvement Area #4 Assessments, the construction of the Neighborhood Improvement Area #4 Improvements, the maintenance of the

Neighborhood Improvement Area #4 Improvements, the issuance of bonds and other matters related thereto.

“Neighborhood Improvement Area #4 Improvement Account” means the Account of such name established pursuant to Section 6.1.

“Neighborhood Improvement Area #4 Improvements” means the Authorized Improvements which will only benefit Assessed Parcels located within Neighborhood Improvement Area #4 of the District more particularly described in Section III-F of the Service and Assessment Plan.

“Neighborhood Improvement Area #4 Reimbursement Agreement” means the reimbursement agreement between the City and the Developer, dated as of July 14, 2020, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Neighborhood Improvement Area #4 Improvements within Neighborhood Improvement Area #4 of 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 Neighborhood Improvement Area #4 Improvements and other matters related thereto.

“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(s)” 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 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 CADG Sutton Fields, LLC, a Texas limited liability company.

“PID Act” means Texas Local Government Code, Chapter 372, as amended.

“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.

“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.

“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, as amended, 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 entitled “Sutton Fields II Public Improvement District Amended and Restated Service and Assessment Plan” dated June 13, 2017, as updated on June 11, 2019, September 10, 2019, July 14, 2020, and September 8,

2020, including the Neighborhood Improvement Area #4 Assessment Roll, as amended, including any annual updates thereto, a version of which was attached to the Bond Ordinance.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the portion of 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 shown on the Neighborhood Improvement Area #4 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Neighborhood Improvement Area #4 of the District, as shown on the Neighborhood Improvement Area #4 Assessment Roll, subject to: (a) reallocation upon the subdivision of a parcel of the assessed property within Neighborhood Improvement Area #4 or consolidation of multiple parcels of assessed property within Neighborhood Improvement Area #4, or (b) reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Stated Maturity” means the date of 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 Bonds pursuant to Section 4.4. of a principal amount of Bonds redeemed that is greater than or equal to ten (10%) of the Outstanding principal amount of the Bonds.

“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.

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, which is the date of the delivery of this Indenture, 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 any of 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 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 of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated September 1, 2020 (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 date of initial delivery 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, 2021 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:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(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.

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 certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Neighborhood Improvement Area #4 Reimbursement Agreement;
- (d) a copy of the executed Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement;
- (e) a copy of this Indenture executed by the Trustee and the City; and
- (f) 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 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.

(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 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 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 holders 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 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.

(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 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 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, 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.

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 date of redemption (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

<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>	<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>
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* Stated Maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>	<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>
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* Stated Maturity

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, 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 sinking fund 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 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(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 Outstanding 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__, such redemption date or dates to be fixed by the City, 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 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 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to Sections

6.3(d), 6.7(d), or 6.7(f), or any other transfers to the Redemption Fund under the terms of this Indenture.

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 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 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 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 the 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.

(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 corporate trust 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 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) Principal and Interest Account; and
- (B) Capitalized 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 Costs of Issuance Account of the Project Fund: \$_____;
- (iv) to the Neighborhood Improvement Area #4 Improvement Account of the Project Fund: \$_____;
- (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 Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged 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, (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 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 Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second, 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, 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 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(g) 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:

<u>Date</u>	<u>Amount (\$)</u>
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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 to the Neighborhood Improvement Area #4 Improvement Account of the Project Fund, or, if the Neighborhood Improvement Area #4 Improvement Account of the Project Fund has been closed as provided in Section 6.5(e) 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 Neighborhood Improvement Area #4 Certification 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 pursuant to a Neighborhood Improvement Area #4 Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement. Such provisions and procedures related to such disbursement contained in the Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement and no other provisions of the Neighborhood Improvement Area #4 Construction, Funding and Acquisition 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 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, 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 paying Actual Costs of the Neighborhood Improvement Area #4 Improvements. 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 Neighborhood Improvement Area #4 Certification 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 six 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 in the Project Fund and used to pay Actual Costs of the Neighborhood Improvement Area #4 Improvements, 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 described 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 of the Reserve Fund 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.

(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 begin collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to begin 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 Rolls 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. 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.

(c) Whenever a transfer is made from an Account of 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 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 to the Bond 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 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 Outstanding Bonds as of such Interest Payment Date, the moneys in these funds shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding 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.

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 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. 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. Such investments shall be valued each year in terms of current market value as of September 30. 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's only responsibility for investments shall be to follow the written instructions of the City Certificate or to insure the investment directed is a permitted investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant 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 with 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, in 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 to 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 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 bonds issued to refund all or a portion of the 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 Pledged Revenues, 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 and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and bonds issued to refund all or a portion of the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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 holder or holders 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 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.

"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 the 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 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 that the Bonds are delivered and will ensure that the Special Assessments continue to meet such requirements for so long as the Bonds are Outstanding.

(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 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, Director of Finance, 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.

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 Pledged Revenues 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 Pledged Revenues, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay the Administrative Expenses. 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 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 or 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. 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 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 gross negligence or willful misconduct, both before and after default by the City.

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 or suffered by it in good faith and in accordance therewith.

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 District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, 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 holders of Bonds 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 holders 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' 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.

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 a 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.

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 Only.

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. 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.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of 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 Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(b) 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

(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. The Trustee must receive an opinion of counsel for such Supplemental Indenture to the effect that the same is authorized or permitted by the terms of this Indenture.

Any modification or amendment made pursuant to this Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

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. 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 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.

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.

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 such Supplemental Indenture which affects the Trustee's own rights, duties, and immunities under this Indenture.

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 payments; 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 viewed to 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, 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 money damages against the City may be sought or shall be permitted.

(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 a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification,

request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(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, 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 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 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.

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.

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 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.

(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 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 the Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit 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.

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes, or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas.

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 Pledged Revenues, the Pledged Funds, 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.

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 this 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 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 and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on 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 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 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 or City Certificate, shall be in writing and shall be telexed, cabled, 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
Attn: City Manager

If to the Trustee
or the Paying Agent/Registrar:

U.S. Bank National Association
Attn: 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 telegram or 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 shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the

incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. 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 directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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.

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.

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, to the extent this Indenture

with the City is a contract for goods or services, will not boycott Israel during the term thereof. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, as amended, 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. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee 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 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. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

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Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

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 Pro Tem

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 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT
AREA #4 PROJECT)*

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

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 BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT
AREA #4 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20__	_____	_____

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, 2021, 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: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

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 September 1, 2020 and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of September 1, 2020 (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 #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 #4 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing 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

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 Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>	<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>
------------------------	---	------------------------	---

* Stated Maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>	<u>Redemption Date</u>	<u>Sinking Fund Installments (\$)</u>
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* Stated Maturity

At least forty-five (45) days prior to each sinking fund redemption date, 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 of a Stated Maturity required to be redeemed on any mandatory 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 mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Outstanding Sinking Fund Installments by the principal amount of any Bonds which, at least 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 the 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__, at par 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 from amounts on deposit in the Redemption Fund as a result of Prepayments.

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 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.

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.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, COLLIN COUNTY, TEXAS, OR 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.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

Mayor Pro Tem, 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

(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: _____

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.

Authorized Signatory

(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, as 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:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B
BOND PURCHASE AGREEMENT

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

\$4,000,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)

BOND PURCHASE AGREEMENT

September 8, 2020

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

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 in 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 \$4,000,000 aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds 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

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

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 and the Underwriter has financial and other interests that differ from any other party to this Agreement, (ii) in connection therewith and with the 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 September 1, 2020 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 September 28, 2020 (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 8, 2020 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of September 1, 2020, 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 proceeds of special assessments (the "Assessments") levied on the assessable parcels within Neighborhood Improvement Area #4 of the Sutton Fields II Public Improvement District (the "District"). The District was established by a resolution enacted by the City Council on October 13, 2015 (the "Creation Resolution") in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Neighborhood Improvement Area #4 Improvements and the method of payment of the Assessments levied against assessable property located within Neighborhood Improvement Area #4 of the District pursuant to an ordinance adopted by the City Council on July 14, 2020 (the "Assessment Ordinance" and, together with the Creation

Resolution, the Indenture and the Bond Ordinance, the “Authorizing Documents”). The Bonds shall be further secured by certain applicable funds and accounts created under the Indenture.

The Bonds shall be as described in Schedule I, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (i) paying a portion of the Neighborhood Improvement Area #4 Improvements (as defined in the Indenture) that will benefit Neighborhood Improvement Area #4 of the District, (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 the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds

3. Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 11 hereof. On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate, in substantially the form attached hereto as Appendix B.

4. 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 [PLOM DATE], 2020 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the Municipal Securities Rulemaking Board (“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 (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. 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 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, upon request, of a copy of the Preliminary Limited Offering Memorandum.

(b) Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the 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 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 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 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 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 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 notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time 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 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 purposes of this Agreement and any certificate delivered by the City in accordance herewith, (i) the City makes no representations with respect to 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 City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering

Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Status of Development,” “BOOK-ENTRY ONLY SYSTEM,” “THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “BONDHOLDERS' RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “THE APPRAISAL OF PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT,” “LEGAL MATTERS — Litigation — The NIA #4 Developers,” “CONTINUING DISCLOSURE — The NIA #4 Developers”, and “INFORMATION RELATING TO THE TRUSTEE.” If such notification shall be subsequent to the Closing Date, 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 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 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 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).

5. 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:
 - (1) this Agreement;
 - (2) the Indenture;

(3) the Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement among CADG Sutton Fields II, LLC (“CADG Sutton II”) and MM Sutton Fields 4A-4B, LLC (“MM Sutton” and, together with CADG Sutton II, the “NIA 4 Developers”) and the City dated July 14, 2020 (the “CFA Agreement”),

(4) the “Amended and Restated Sutton Fields Facilities and Development Agreement” among the City and CADG Sutton Fields, LLC effective as of June 13, 2017 (the “Development Agreement”);

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of September 1, 2020 (the “City Continuing Disclosure Agreement”), executed and delivered by the City, MuniCap Inc., and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent; and

(6) the Neighborhood Improvement Area #4 Landowner Agreements dated as of July 14, 2020 executed by (i) the City and CADG Sutton II and (ii) the City and MM Sutton (collectively, the “Landowner Agreements”)

(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 CFA Agreement, (4) the Development Agreement, (5) the City Continuing Disclosure Agreement, (6) the Landowner Agreements, (7) the Limited Offering Memorandum, and (8) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (8) 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 governmental 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 (as defined herein) be in compliance, in all material respects, with the 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 Date 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 City Documents and the Bond Ordinance.

(d) No Breach or Default. As of the time of acceptance hereof, and to the best of 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 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 Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of 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) Assessments. The 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 for Neighborhood Improvement Area #4 (as defined in the Service and Assessment Plan). According to the Act, such 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 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 (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the City makes no

representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Status of Development,” “BOOK-ENTRY ONLY SYSTEM,” “THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “THE APPRAISAL OF PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT,” “LEGAL MATTERS — Litigation — The NIA #4 Developers,” “CONTINUING DISCLOSURE – The NIA #4 Developers”, and “INFORMATION RELATING TO THE TRUSTEE.”

(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 4 of this Agreement) at all times subsequent thereto during the period up to and including the 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 any 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; provided, however, that the City makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Status of Development,” “BOOK-ENTRY ONLY SYSTEM,” “THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Areas #4 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “THE APPRAISAL OF PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT,” “LEGAL MATTERS — Litigation — The NIA #4 Developers,” “CONTINUING DISCLOSURE – The NIA #4 Developers”, and “INFORMATION RELATING TO THE TRUSTEE;” and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(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 4 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 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 any 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; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(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 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 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 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.

6. NIA #4 Developers Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the NIA #4 Developers, an executed NIA #4 Developers Letter of Representations (the “NIA #4 Developers Letter of Representations”) in the form of Appendix A hereto, and at the Closing, a certificate signed by the NIA #4 Developers as set for in Section 9(e) hereof.

7. 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 for inspection not less than twenty-four (24) hours prior to the Closing.

8. Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the date of the Closing. 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 Counsel to the Underwriter, 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 NIA #4 Developers as, in the opinion of Miklos Cinclair, PLLC (“NIA #4 Developers’ Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the NIA #4 Developers described in the NIA #4 Developers Letter of Representations, the Development Agreement, the CFA Agreement, the Landowner Agreements, and the Continuing Disclosure Agreement of the NIA #4 Developers with respect to the Bonds, dated as of September 1, 2020 executed and delivered by the NIA #4 Developers and 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 NIA #4 Developers,” and together with the NIA #4 Developers Letter of Representations, the Development Agreement, the CFA Agreement, and the Landowner Agreements, the “NIA #4 Developers 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 NIA #4 Developers Documents or other documents relating to the financing and construction of the Neighborhood Improvement Area #4 Improvements and the Development, and the NIA #4 Developers 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 such NIA #4 Developers to pay the Assessments when due.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 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 sole and reasonable judgment, any of the following shall have occurred:

(i) 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:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House 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 House of the Congress of the United States by a Committee of such House 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, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) 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 (“SEC”) 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 Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”); or

(3) 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

(4) there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, 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 contemplated by the Limited Offering Memorandum; or

(5) 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 contemplated by the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than 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

(7) 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 Assessments to pay principal of and interest on the Bonds; or

(ii) 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

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of 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

(iv) 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 Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) 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 SEC 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 contemplated by this Agreement or by 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 date of Closing, including the Securities Act, the Securities Exchange Act of 1934 (the “Securities Exchange Act”) and the Trust Indenture Act; or

(viii) 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 (ii), (vii) and (viii) 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.

9. Closing Documents. At or prior to the Closing, 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 C to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 9(b), 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.

(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 counsel for the Underwriter, 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 Limited Offering Memorandum but that such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds”, “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS” (except for the last paragraph under the subcaption “General”), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE

DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE” (except for the subcaption “The City’s Compliance with Prior Undertakings”), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and APPENDIX A 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 and 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 full power and authority to adopt the Creation Resolution, the Assessment Ordinance, 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 CFA Agreement, the Landowner Agreements, the City Continuing Disclosure Agreement 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 local 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 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 of NIA #4 Developers’ Counsel. An opinion of NIA #4 Developers’ Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, Underwriter’s Counsel and the Trustee.

(e) NIA #4 Developers Certificate. The certificate of the NIA #4 Developers dated as of the Closing Date, signed by an authorized officer of NIA #4 Developers in substantially the form of Appendix E hereto.

(f) City Certificate. A certificate of the City, dated the Closing Date, to the effect that, to an authorized City official's knowledge:

(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 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 Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to 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 Certificate. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

(i) The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, having the full power and authority, including trust powers, to accept and perform its duties under the Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

(h) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Winstead PC, counsel to the Underwriter, to the effect that:

(i) based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Limited Offering Memorandum; (B) its discussions with bond

counsel and with the Underwriter; (C) its review of the documents, certificates, opinions and other instruments delivered at the closing of the sale of the Bonds on the date hereof; and (D) such other matters as it deems relevant, such counsel is of the opinion that the Bonds are exempt securities under the Securities Act, and the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act;

(ii) based upon (A) such counsel's review of Rule 15c2-12 and interpretive guidance published by the SEC relating thereto; (B) its review of the continuing disclosure undertaking of the City contained in the City Continuing Disclosure Agreement; and (C) the inclusion in the Limited Offering Memorandum of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the City Continuing Disclosure Agreement have been duly adopted by the City and are in full force and effect, such undertaking provides a suitable basis for the Underwriter, to make a reasonable determination that the City has met the qualifications of paragraph (b)(5)(i) of Rule 15c2-12; and

(iii) although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted 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.

(i) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

(j) Delivery of City Documents and NIA #4 Developers Documents. The City Documents and NIA #4 Developers Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

(k) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(l) Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the facts, estimates and circumstances in existence on the date of the Closing, 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.

(m) 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.

(n) Continuing Disclosure Agreements. The City Continuing Disclosure Agreement and the Continuing Disclosure Agreement of the NIA #4 Developers, shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix D-1 and Appendix D-2.

(o) 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 within Neighborhood Improvement Area #4 in the District dated _____, 2020.

(p) Letter of Representation of Assessment Consultant and Administrator. Letter of Representation of the Assessment Consultant and 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.

(q) Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreements. Evidence that (i) the Creation Resolution, including legal description of Neighborhood Improvement Area #4 of the District by metes and bounds, (ii) the Assessment Ordinance, including the Assessment Roll for Neighborhood Improvement Area #4 of the District 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, and (iii) the Landowner Agreements have been filed of record in the real property records of Collin County, Texas and Denton County, Texas.

(r) Lender Consent Certificate. Lender Consent Certificate of Trez Capital (2014) Corporation, Denton County 128 Development, LP, First Continental Investment Co., Ltd. and any other lienholder on land in Neighborhood Improvement Area #4 of the District, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments in a form acceptable to the Underwriter.

(s) Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Assessed Property in Neighborhood Improvement Area #4 of the District, respectively, was owned by the NIA #4 Developers or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

(t) Rule 15c2-12 Certification. A resolution or certificate of the City (which may be included in the Bond Ordinance) whereby the City has deemed the Preliminary

Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

(u) Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the City Continuing Disclosure Agreement and the Continuing Disclosure Agreement of the NIA #4 Developers by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

(v) BLOR. A copy of the Blanket Letter of Representation to DTC relating to the Bonds and signed by the City.

(w) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

10. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the purchase price set forth in Section 1 hereof, and the opinion of Bond Counsel described in Section 9(a) hereof.

11. 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 Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, 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 City's Financial Advisor identified herein and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

(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. At or promptly after the execution of this Agreement, the Underwriter shall report to the City as of the sale date the first price at which the Underwriter has sold to the public at least 10% of each maturity of Bonds (the "10% test"), and shall identify to the City as of the sale date 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 sale date, 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 offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) 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) to 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) to 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) to 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires and (ii) in the event that the Underwriter is a party to a third-party distribution agreement that 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if 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,

(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 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 retail 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) at least 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.

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 and legal counsel, the Trustee’s counsel, Bond Counsel, NIA #4 Developers’ 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 NIA #4 Developers, including but not limited to the fees and expenses of the Appraiser and the Assessment Consultant, and (vi) the expenses incurred by or on behalf of City employees and representatives that are 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 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 offering and distribution of the Bonds, except as noted in Subsection 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 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 N. Ohio Street, Celina, Texas 76201, 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-V, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. 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 Sections 16 and 18 shall survive any termination of this Agreement.

16. 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 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.

17. 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.

18. 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.

19. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

20. 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 parties hereto.

21. 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.

22. Form 1295. Submitted herewith or on a date prior hereto 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 "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.

23. Anti-Boycott Verification. The Underwriter hereby verifies that the Underwriter and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Contract is a contract for goods or services, will not boycott Israel during the term of this Contract. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or 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. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

24. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter hereby represents that neither the Underwriter nor any of its parent companies, 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or 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. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

25. Indemnification. The Underwriter will indemnify and hold harmless the City against any losses, claims, damages or liabilities to which the City 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 in the Limited Offering Memorandum, or any amendment or supplement thereto, or arise out of or are based upon any untrue statement or alleged untrue statement of material fact, or any omission or alleged omission of any material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission was made in the Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with information under the heading "UNDERWRITING" in the Limited Offering Memorandum, and will reimburse the City for any legal or other expenses reasonably incurred by the City in connection with investigating or defending any such actions or claims as such expenses are incurred.

[Remainder of this page intentionally left blank]

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: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Accepted at _____ a.m./p.m. central time on the
date first stated above.

CITY OF CELINA, TEXAS

By: _____
Mayor Pro Tem

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SCHEDULE I

\$4,000,000
CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)

Interest Accrues From: Date of Delivery

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

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

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the “10% test”, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20__, at the price of par plus accrued interest to the date of redemption, as set forth in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds are subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

\$ Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

\$ Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Final Maturity

APPENDIX A

FORM OF NIA #4 DEVELOPERS LETTER OF REPRESENTATIONS

\$4,000,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)

NIA #4 DEVELOPERS LETTER OF
REPRESENTATIONS

September 8, 2020

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 5 Cowboys Way, Suite 300-V
 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 \$4,000,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II 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, the undersigned, CADG Sutton Fields II, LLC, a Texas limited liability company (“CADG Sutton II”), and MM Sutton Fields 4A-4B, LLC, a Texas limited liability company (“MM Sutton” and together with CADG Sutton II, the “NIA #4 Developers”), makes the representations, warranties, and covenants contained in this NIA #4 Developers Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this NIA #4 Developers 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 NIA #4 Developers understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the NIA #4 Developers, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this NIA #4 Developers 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 NIA #4 Developers become 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 NIA #4 Developers 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 NIA #4 Developers Letter of Representations and any certificate delivered by the NIA #4 Developers in accordance with the Bond Purchase Agreement, the NIA #4 Developers make no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “THE CITY,” “THE DISTRICT,” “BONDHOLDERS’ RISKS” (except as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements and the Development, as defined in the Limited Offering Memorandum), “TAX MATTERS,” “LEGAL MATTERS — Litigation — The City,” “CONTINUING DISCLOSURE — The City” and “ — The City’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE.”

3. NIA #4 Developers Documents. The NIA #4 Developers have executed or caused the execution of and delivered each of the below listed documents (individually, a “NIA #4 Developers Document” and collectively, the “NIA #4 Developers Documents”) in the capacity provided for in each such NIA #4 Developers Document, and each such NIA #4 Developers Document constitutes a valid and binding obligation of NIA #4 Developers, enforceable against NIA #4 Developers in accordance with its terms:

- (a) this NIA #4 Developers Letter of Representations;
- (b) that certain “Amended and Restated Sutton Fields Facilities and Development Agreement” among the City and CADG Sutton Fields, LLC effective as of June 13, 2017 (the “Development Agreement”);

(c) that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement among the NIA #4 Developers and the City dated July 14, 2020 (the “CFA Agreement”);

(d) the certain Neighborhood Improvement Area #4 Landowner Agreements dated as of July 15, 2020 executed by (i) the City and CADG Sutton II and (ii) the City and CMM Sutton (the “Landowner Agreements”);

(e) that certain Continuing Disclosure Agreement of the NIA #4 Developers, dated as of September 1, 2020 made by and among the NIA #4 Developers, MuniCap, Inc. as dissemination agent and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Administrator.

The NIA #4 Developers have complied in all material respects with all of the NIA #4 Developers’ agreements and covenants and satisfied all conditions required to be complied with or satisfied by the NIA #4 Developers under the NIA #4 Developers Documents on or prior to the date hereof.

4. NIA #4 Developers Representations, Warranties and Covenants. The NIA #4 Developers represent, warrant, and covenant to the City and the Underwriter that:

(a) Due Organization and Existence. The NIA #4 Developers are duly formed and validly existing as a limited liability companies under the laws of the State of Texas.

(b) Organizational Documents. The copies of the organizational documents of the NIA #4 Developers provided by the NIA #4 Developers (the “NIA #4 Developers 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 NIA #4 Developers Documents by NIA #4 Developers does not violate any judgment, order, writ, injunction or decree binding on NIA #4 Developers or any indenture, agreement, or other instrument to which NIA #4 Developers are a party.

(d) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against NIA #4 Developers that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of NIA #4 Developers to perform its obligations under the NIA #4 Developers Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum.

(e) Information. The information prepared and submitted by the NIA #4 Developers 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. The NIA #4 Developers represent and warrant that the information set forth in the Preliminary Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan and Status of Development,” “THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “CONTINUING DISCLOSURE – The NIA #4 Developers”, and, to the best of the NIA #4 Developers’ knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements and the Development, as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The NIA #4 Developers” 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 the light of the circumstances under which they were made, not misleading. The NIA #4 Developers agree 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.

(g) Events of Default. No “Event of Default” or “event of default” by the NIA #4 Developers under any of the NIA #4 Developers Documents, any documents to which NIA #4 Developers is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Neighborhood Improvement Area #4 Improvements to which the NIA #4 Developers are 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 NIA #4 Developers has occurred and is continuing.

5. Indemnification.

(a) The NIA #4 Developers 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan and Status of Development,” “THE NEIGHBORHOOD IMPROVEMENT AREAS #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Areas #4 Improvements, and the Development), “LEGAL MATTERS — Litigation – The NIA #4 Developers,” and “CONTINUING DISCLOSURE – The NIA #4 Developers” 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 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 indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the NIA #4 Developers or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this NIA #4 Developers 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 NIA #4 Developers Letter of Representations will be binding upon the NIA #4 Developers 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 pages to follow]

NIA #4 DEVELOPERS:

CADG SUTTON FIELDS II, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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 Moayed
Its: Manager

MM SUTTON FIELDS 4A-4B, LLC,
a Texas limited liability company

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

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

By: _____
Name: Mehrdad Moayed
Its Manager

APPENDIX B

\$4,000,000

CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (SUTTON FIELDS II 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 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.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

(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, limited liability company, 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 8, 2020.

(g) *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).

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 Tax Certificate 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.

EXECUTED and DELIVERED this _____, 2020.

FMSbonds, Inc.

By: _____

Name: _____

Title: _____

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

SCHEDULE A**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES***(Attached)*

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX C

[LETTERHEAD OF MESSER, FORT & MCDONALD, PLLC]

September 28, 2020

FMSbonds, Inc.
5 Cowboys Way, Suite 300-V
Frisco, Texas 75034

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Winstead PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75218

City of Celina, Attn: City Manager
142 N. Ohio Street
Celina, Texas 76201

\$4,000,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II 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 \$4,000,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II 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. [] and enacted by the City Council of the City (the “City Council”) on September 8, 2020 (the “Bond Ordinance”) and shall be 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 September 1, 2020 (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 8, 2020 between the City and FMSbonds, Inc. (the “Bond Purchase Agreement”). This opinion is being delivered pursuant to Section 9(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 City, and for the purposes of rendering this opinion, we have reviewed the following (the “Reviewed Documents”):

(a) Resolution No. 2015-51R (the “Creation Resolution”), enacted by the City Council on October 13, 2015.

(b) The Neighborhood Improvement Area #4 Assessment Ordinance, adopted by the City Council on July 14, 2020 (the “Assessment Ordinance”).

(c) The Bond Ordinance.

(d) The Indenture.

(e) That certain “Amended and Restated Sutton Fields Facilities and Development Agreement” among the City, CADG Sutton Fields, LLC effective as of June 13, 2017 (the “Development Agreement”);

(f) That certain Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of September 1, 2020 (the “Continuing Disclosure Agreement of the Issuer”), executed and delivered by the City, MuniCap Inc., as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., (the “Dissemination Agent”);

(g) That certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement among the City and the NIA #4 Developers dated July 14, 2020 (the “CFA Agreement”); and

(f) the certain Neighborhood Improvement Area #4 Landowner Agreements dated as of July 14, 2020 executed by (i) the City and CADG Sutton II and (ii) the City and MM Sutton (together, the “Landowner Agreements”)

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 Closing Certificate of the NIA #4 Developers delivered pursuant to the Bond Purchase Agreement; (d) the NIA #4 Developers Letter of Representations delivered pursuant to the Bond Purchase Agreement; and (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Miklos Sinclair, counsel to the NIA #4 Developers (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 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 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 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 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 the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the 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 Assessments in Neighborhood Improvement Area #4 of 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 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 Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

4. The performance by the City of the obligations under the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

5. 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 Reviewed Documents.

6. 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.

7. The execution and delivery of the Reviewed Documents and the compliance with the provisions of 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 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; (xxiii) 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.

(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, 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,

MESSER, FORT & MCDONALD, PLLC
JULIE FORT
ATTORNEY FOR THE CITY

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 NIA #4 Developers, 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) Miklos Cinclair Law, PLLC; and (iii) Winstead PC counsel to the Underwriter.

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 (other than the sections specifically identified in the letter), final Limited Offering Memorandum (other than the sections specifically identified in the letter), and any other Bond Documents.

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR]

September 28, 2020

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-V
Frisco, Texas 75034

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Messer, Fort & McDonald, PLLC
6371 Preston Rd., Suite 200
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

Winstead PC
2728 N. Harwood Street
Dallas, Texas 75201

\$4,000,000

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to CADG Sutton Fields II, LLC, a Texas limited liability company (“CADG Sutton II”), and MM Sutton Fields 4A-4B, LLC, a Texas limited liability company (“MM Sutton” and together with CADG Sutton and CADG Sutton II, the “NIA #4 Developers”) in connection with the issuance and sale by the City of Celina, Texas (the “City”), of \$4,000,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project) (the “Bonds”), pursuant to the Indenture of Trust dated as of September 1, 2020 (the “Indenture”), by and between the City and U.S. Bank National 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 "Sutton Fields" (the “Development”) located in the City of Celina, Texas (the “City”).

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated September 8, 2020 (the “Bond Purchase Agreement”), between the City and the Underwriter.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the NIA #4 Developers, 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 (collectively, the “*Material Documents*”):

(1) the “*Amended and Restated Sutton Fields Facilities and Development Agreement*” among the City, and CADG Sutton Fields, LLC effective as of June 13, 2017 (the “*Development Agreement*”);

(2) the *Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement* among the NIA #4 Developers and the City dated July 14, 2020 (the “*CFA Agreement*”);

(3) the *Neighborhood Improvement Area #4 Landowner Agreements* dated as of July 14, 2020 executed by (i) the City and CADG Sutton II and (ii) the City and MM Sutton (collectively, the “*Landowner Agreements*”);

(4) the *Continuing Disclosure Agreement of NIA #4 Developers* dated as of September 1, 2020 among the NIA #4 Developers, Municap, Inc., as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent; and

(5) the *NIA #4 Developers Letter of Representations* dated as of September 8, 2020;

(b) General Certificate of the NIA #4 Developers and the Closing Certificate of the NIA #4 Developers, each dated as of the date hereof (together, the “*NIA #4 Developers Certificate*”);

(c) The Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2020 relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated September 8, 2020, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the “*Limited Offering Memorandum*”); and

(e) Such other documents, records, agreements and certificates of the NIA #4 Developers as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the NIA #4 Developers, the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words “our knowledge” and similar language used herein

are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the NIA #4 Developers), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the NIA #4 Developers to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the NIA #4 Developers in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not 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 to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than NIA #4 Developers) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than NIA #4 Developers) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The execution and delivery by the NIA #4 Developers of the Material Documents and the performance by the NIA #4 Developers of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the NIA #4 Developers 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 NIA #4 Developers, the conflict with which or breach of which would have a material, adverse effect on the ability of the NIA #4 Developers to perform its obligations under the Material Documents to which it is a party.

2. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the NIA #4 Developers on or before the date hereof as a condition to the performance by the NIA #4 Developers 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).

3. The NIA #4 Developers has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the NIA #4 Developers, enforceable against the NIA #4 Developers in accordance with their respective 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. The execution, delivery, and performance by the NIA #4 Developers of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the NIA #4 Developers.

4. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the NIA #4 Developers identified in the NIA #4 Developers Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to the validity or enforceability against it of such Material Documents or the transactions described therein.

5. 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 NIA #4 Developers are a party or is otherwise subject and which have been identified in the NIA #4 Developers Certificate which violation, breach or default would materially adversely affect the NIA #4 Developers 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 NIA #4 Developers, 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.

6. The information set forth in the Limited Offering Memorandum under the captions “*PLAN OF FINANCE — Development Plan and Status of Development*,” “*THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS*,” “*THE DEVELOPMENT*,” “*THE NIA #4 DEVELOPERS*,” “*BONDHOLDERS’ RISKS*” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements, and the Development, as defined in the Limited Offering Memorandum), “*LEGAL MATTERS — Litigation — The NIA #4 Developers*,” and “*CONTINUING DISCLOSURE – The NIA #4 Developers*,” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

7. Subject to the below qualifications and based upon our participation in the preparation of the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its Counsel, of the City and its counsel, and with representatives of the NIA #4 Developers at which the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in 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 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 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.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the NIA #4 Developers Certificates, as well as the representations of the NIA #4 Developers contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have

made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 3 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the NIA #4 Developers are a party or by which the NIA #4 Developers are or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

Robert Miklos

APPENDIX E

CLOSING CERTIFICATE OF NIA #4 DEVELOPERS

CADG Sutton Fields II, LLC, a Texas limited liability company (“CADG Sutton II”), and M MSutton Fields 4A-4B, LLC, a Texas limited liability company (“MM Sutton” and together with CADG Sutton II, the “NIA #4 Developers”) 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 NIA #4 Developers are each a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of NIA #4 Developers 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 \$4,000,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #4 Project) (the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2020 and Limited Offering Memorandum dated September 8, 2020 (together, the “Limited Offering Memorandum”).

3. The NIA #4 Developers have delivered to the Underwriter and the City true, correct, complete and fully executed copies of the NIA #4 Developers’ organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The NIA #4 Developers have delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the NIA #4 Developers.

5. The NIA #4 Developers has executed or caused the execution of, and delivered each of the below listed documents (individually, a “NIA #4 Developers Document” and collectively, the “NIA #4 Developers Documents”) in the capacity provided for in each such NIA #4 Developers Document, and each such NIA #4 Developers Document constitutes a valid and binding obligation of NIA #4 Developers, enforceable against NIA #4 Developers in accordance with its terms:

(a) that certain NIA #4 Developers Letter of Representation dated September 8, 2020;

(b) that certain “Amended and Restated Sutton Fields Facilities and Development Agreement” between the City and CADG Sutton Fields, LLC effective as of June 13, 2017 (the “Development Agreement”);

(c) that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Construction, Funding, and Acquisition Agreement among the NIA #4 Developers and the City dated July 14, 2020 (the “CFA Agreement”),

(d) the certain Neighborhood Improvement Area #4 Landowner Agreements dated as of July 14, 2020 executed by (i) the City and CADG Sutton II and (ii) the City and MM Sutton (collectively, the “Landowner Agreements”); and

(e) that certain Continuing Disclosure Agreement of the NIA #4 Developers, dated as of September 1, 2020 made by and among the NIA #4 Developers, HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. as dissemination agent and MuniCap, Inc., as Administrator.

6. The NIA #4 Developers have complied in all material respects with all of the NIA #4 Developers’ agreements and covenants and satisfied all conditions required to be complied with or satisfied by the NIA #4 Developers under the NIA #4 Developers Documents on or prior to the date hereof.

7. The execution and delivery of the NIA #4 Developers Documents by NIA #4 Developers does not violate any judgment, order, writ, injunction or decree binding on NIA #4 Developers or any indenture, agreement, or other instrument to which NIA #4 Developers are a party. To the NIA #4 Developers’ knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against NIA #4 Developers that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of NIA #4 Developers to perform their obligations under the NIA #4 Developers Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum.

8. Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Development Plan and Status of Development,” “THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE NIA #4 DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the NIA #4 Developers, the Neighborhood Improvement Area #4 Improvements, and the Development), “LEGAL MATTERS — Litigation — The NIA #4 Developers,” and “CONTINUING DISCLOSURE – The NIA #4 Developers”, 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 the light of the circumstances under which they are made, not misleading respecting such NIA #4 Developers and the portion of the Development owned by such NIA #4 Developers, 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 Limited Offering Memorandum.

9. NIA #4 Developers are in compliance in all material respects with all provisions of applicable law in all material respects relating to Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon NIA #4 Developers or any portion of the Development that would materially and adversely affect NIA #4 Developers’ ability to complete or cause to be completed the development of such portion of the Development as described in the Limited Offering Memorandum; and (b) we have 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.

10. The NIA #4 Developers are not insolvent and have 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.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Neighborhood Improvement Area #4 of the District owned by NIA #4 Developers will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which NIA #4 Developers are a party or to which NIA #4 Developers or any of its property or assets is subject.

12. NIA #4 Developers 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 development of the Development.

13. NIA #4 Developers have no knowledge of any physical condition of the Development owned or to be developed by NIA #4 Developers 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.

Dated: _____, 2020

[Signature pages to follow]

NIA #4 DEVELOPERS:

CADG SUTTON FIELDS II, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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

MM SUTTON FIELDS 4A-4B, LLC,
a Texas limited liability company

By: MM 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

APPENDIX F

[LETTERHEAD OF INTEGRA REALTY RESOURCES]

September 28, 2020

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-V
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue
Suite 3600
Dallas, TX 75201-7932

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of (i) the property contained in Neighborhood Improvement Area #4 of the Sutton Fields II Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of Integra Realty Resources DFW, I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [PLOM DATE], 2020, and the Limited Offering Memorandum for the Bonds, dated on or about September 8, 2020 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Celina, Texas, as described above. The information I have provided 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 OF PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT — 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 the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I 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 August 29,

2020) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

By: _____
Its: _____

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX G

[LETTERHEAD OF ASSESSMENT CONSULTANT AND ADMINISTRATOR]

September 28, 2020

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-V
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue
Suite 3600
Dallas, TX 75201-7932

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, of MuniCap, Inc., consultant in connection with the creation by the City of Celina, Texas (the “City”), of the Sutton Fields II Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of MuniCap, Inc., I have supplied certain information contained in the Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2020 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about September 8, 2020 (together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”), both in connection with the Bonds, relating to the issuance of the Bonds by the City, as described above. The information I provided for the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES — Assessment Methodology” and “— Assessment Amounts”, “ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT,” “OVERLAPPING TAXES AND DEBT” (in the tables “Estimated Tax Statement for Neighborhood Improvement Area #4”), and “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR – Assessment Consultant,” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX B to the Limited Offering Memorandum.

2. To the best of my 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 do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the SAP in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and to the use of the name of my firm in

the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I 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 September 28, 2020) 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.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

MUNICAP, INC.

By: _____
Its: _____

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of September 1, 2020 (this “Disclosure Agreement”) is executed and delivered by and between the City of Celina, Texas (the “Issuer”), MuniCap, Inc. (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Project)” (the “Bonds”). The Issuer, Administrator 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, the Administrator 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).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of September 1, 2020, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, 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 an employee or designee of the Issuer 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 for the administration of the District.

“Affiliate” shall mean an entity that owns property within Neighborhood Improvement Area #4 of the District and is controlled by, controls, or is under common control with the Developer or any Subsequent Third Party Owner (as such term is defined in the Disclosure Agreement of the Developer).

“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(s)” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessment(s)” shall have the meaning assigned to such term in the Indenture.

“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 or any national holiday observed by the Trustee.

“Developer” shall mean CADG Sutton Fields, LLC, a Texas limited liability company, together with CADG Sutton Fields II, LLC a Texas limited liability company and MM Sutton Fields 4A-4B, LLC, a Texas limited liability company and their successors and assigns, including any Affiliate of the Developer.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of September 1, 2020 executed and delivered by the Developer, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent.

“Disclosure Representative” shall mean the Finance Director, City Manager or Assistant City Manager of the Issuer, 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 Sutton Fields II Public Improvement District.

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

“Filing Due Date” is April 10 of each calendar year beginning in April 10, 2021.

“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 calendar year from October 1 through September 30.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“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” shall have the meaning assigned to such term in the Indenture.

“Neighborhood Improvement Area #4 Assessments” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Neighborhood Improvement Area #5A” shall have the meaning assigned to such term in the Indenture.

“Neighborhood Improvement Area #5A Assessments” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Outstanding” shall mean, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under the 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 the Indenture, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture.

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

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

“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 the meaning assigned to such term in the Indenture.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean U.S. Bank, National Association, 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 format required by the MSRB, commencing with the Fiscal Year ending September 30, 2020, 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. The audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and may be submitted 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. If, however, the audited financial statements are not complete by the deadline specified in Section 4(a), then the Issuer shall provide unaudited financial statements within such period. 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 file notice of such change (and of the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to this paragraph. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Filing Due Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no case later than the Filing Due Date.

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 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.

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 to file, the following:

- (a) Annual Financial Information (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;
 - (B) The amounts in the funds and accounts securing the Bonds; and
 - (C) The assets and liabilities of the Trust Estate.
 - (ii) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.
 - (iii) Any changes to the land use designation for the property in Neighborhood Improvement Area #4 of the District from the purposes identified in the Service and Assessment Plan.
 - (iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in Neighborhood Improvement Area #4 of the District.
 - (v) The aggregate taxable assessed valuation for parcels or lots within Neighborhood Improvement Area #4 of the District based on the most recent certified tax roll available to the Issuer.
 - (vi) With respect to single-family residential lots, until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Assessments levied within Neighborhood Improvement Area #4 of the District, such SAP Update shall include the following:
 - (A) the number of new homes completed in Neighborhood Improvement Area #4 of the District during such Fiscal Year; and
 - (B) the aggregate number of new homes completed within Neighborhood Improvement Area #4 of the District since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2020.

(vii) Listing of any property or property owners in Neighborhood Improvement Area #4 of the District representing more than five percent (5%) of the levy of the Neighborhood Improvement Area #4 Assessments, the Neighborhood Improvement Area #5A Assessments, the amount of the levy of the Neighborhood Improvement Area #4 Assessments or the Neighborhood Improvement Area #5A Assessments, as applicable, against such landowners, and the percentage of such of the Neighborhood Improvement Area #4 Assessments or the Neighborhood Improvement Area #5A Assessments, as applicable, relative to the entire levy of the Neighborhood Improvement Area #4 Assessments or the Neighborhood Improvement Area #5A Assessments, as applicable, all as of the October 1 billing date for the Fiscal Year.

(viii) Collection and delinquency history of the Assessments and the Additional Assessments within Neighborhood Improvement Area #4 of the District for the past five Fiscal Years, in the following format:

Collection and Delinquency History of NIA #4 Assessments

Collected in Fiscal Year	Assessment	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Assessments
<u>Ending 9/30</u>	<u>Billed</u>	<u>Levied</u>	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽¹⁾</u>
20__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20__. Includes \$ _____ attributable to Prepayments.

(ix) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(x) Total amount of Prepayments collected, as of the 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).

(xi) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) which are currently subject to foreclosure proceedings which have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within Neighborhood Improvement Area #4 of the District if the assessed property represents more than one percent (1%) of the total amount of Assessments.

(xii) 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.

(c) 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 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 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.

For these purposes, any event described in the immediately preceding paragraph (12) 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.

Upon the 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.

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 made under this Section 5. 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 one (1) Business Day 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. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB. 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, the Participating Underwriter, the Trustee, 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 notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

(d) In addition to the Listed Events above, the Issuer shall provide to the Dissemination Agent filing with the MSRB period reporting on delinquencies and collection activities related to delinquent Assessments and foreclosure activities in Neighborhood Improvement Area #4 of the District as provided in Exhibit C hereto.

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator 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 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 materially 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 any Participating Underwriter or the Owners of at least twenty-five (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 Developer by the Developer, and a default under the Disclosure Agreement of 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 and Administrator.

(a) 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 Assessments 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.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator 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 Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be

provided by the Developer or from Assessments 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 reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator 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 and Administrator 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, THE ADMINISTRATOR 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, THE ADMINISTRATOR 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 AND THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. Subject to the provisions of Section 5(d) hereof, the basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent 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 Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, Administrator 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, Administrator or Dissemination Agent in other than that person's official capacity.

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 Administrator, the Dissemination Agent, the Participating Underwriter, 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 Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator 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 Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Neighborhood Improvement Area #4 of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Anti-Boycott Verification. 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, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, 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. The Dissemination Agent understands

“affiliate” to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 20. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent represents that neither the Dissemination Agent, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable state or federal law and excludes the Dissemination Agent and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent, 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 state or federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. 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]

CITY OF CELINA, TEXAS

By: _____
City Manager

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

HTS CONTINUING DISCLOSURE SERVICES,
A Division Of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

MUNICAP, INC.
(as Administrator)

By: _____
Authorized Officer

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

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 2020 (Sutton Fields II
 Public Improvement District Neighborhood Improvement Area #4
 Project)
 (the "Bonds")
 CUSIP Nos. [insert CUSIP NOs.]
 Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Celina, Texas (the "Issuer"), has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated September 1, 2020, between the Issuer, MuniCap, Inc., as "Administrator" 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: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD
IMPROVEMENT AREA #4 PROJECT)**

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOs.]

ITEMS REQUIRED BY SECTIONS 4(a)(i)**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

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vii)

[Insert a line item]

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquency History of NIA #4 Assessments

Collected in Fiscal Year	Assessment	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Assessments
<u>Ending 9/30</u>	<u>Billed</u>	<u>Levied</u>	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽¹⁾</u>
20__	\$			—	—		\$
⁽¹⁾ Collected as of _____, 20 __. Includes \$ _____ attributable to Prepayments.							

ITEMS REQUIRED BY SECTIONS 4(a)(ix) – (xii) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO THE CITY OF CELINA, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020, (SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

[Insert a line item for each applicable listing]

EXHIBIT C

**BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS
AND PURSUIT OF DELINQUENCIES¹**

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Annual Installments of Assessments are due.
February 1	1	Annual Installments of 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 payments on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing. 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 Annual Installments of 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

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures are subject to adjustment by the Issuer.

March 15

43/44

Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.

Trustee pays bond interest payments to bondholders.

Reserve Fund payment to Bond Fund may be required if 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 on the Reserve 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 of Assessments 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 of Assessments.

March 20

48/49

Issuer and/or Administrator to notify Dissemination Agent of any delinquencies to be included in the Annual Report.

If any property owner with ownership of property responsible for more than \$10,000 of the Annual Installments of 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 Annual Installments of Assessments.

April 15

74/75

Preliminary Foreclosure activity commences, and Issuer to notify Trustee and Dissemination Agent of the commencement of preliminary foreclosure activity.

		If Trustee has not received Foreclosure Schedule and Plan of Collections, Trustee to request same from the Issuer.
May 1	90/91	If the Issuer has not provided the Trustee with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders to begin foreclosure under Section 7.2 of the Indenture, Trustee 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 through the MSRB. The goal for the foreclosure actions is a filing by no later than June 1 (day 121/122).
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 in writing. 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 twenty-five (25%) of the Owners may request a meeting with the Mayor, City Manager, or other responsible official of the City 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 five percent (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 Annual Installments of Assessments.

EXHIBIT D
SERVICE AND ASSESSMENT PLAN UPDATE

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #5A

June 13, 2017

As updated for NIA #3 on June 11, 2019, collectively updated for NIA #2 & NIA #3 on September 10, 2019, updated for NIA #4 on July 14, 2020 and September 8, 2020, and updated for NIA #5A on September 8, 2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #5A

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RECITALS

WHEREAS, this Service and Assessment Plan amends and restates that particular Sutton Fields PID II Service and Assessment Plan approved by the City Council on November 10, 2015 (the “Original SAP”); and

WHEREAS, certain terms used herein are defined in Section II; and

WHEREAS, on September 3, 2015, CADG Sutton Fields, LLC, a Texas limited liability company; owner of a majority of the real property petitioned the City for creation of a PID; and

WHEREAS, by Resolution 2015-51R adopted on October 13, 2015, after notice and a public hearing in the manner required by law, the City Council of the City of Celina, Texas approved a resolution authorizing the creation of the Sutton Fields II Public Improvement District (the “District”) of the City of Celina; and

WHEREAS, on November 10, 2015, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance Nos. 2015-54 and 2015-56 approving the Sutton Fields II Public Improvement District Original SAP and Assessment Roll and the levy of assessments on property in the District; and

WHEREAS, the original plan of development contemplated the City to provide retail water and sewer service, the Developer had agreed to secure the water and wastewater certificates of convenience and necessity (“CCNs”) from Mustang Special Utility District for an estimated cost of \$3,300,000 as shown in the Major Improvements budget in the Original SAP and in connection with the securing of the CCN Certificate in order to provide water and wastewater services for the City, the Developer had agreed to purchase capacity for such services from Upper Trinity Regional Water District (“UTRWD”) for an estimated cost of \$800,000; and

WHEREAS, Mustang Special Utility District (“MSUD”) held the certificates of convenience and necessity (the “CCNs”) to provide retail water and sewer service to Tract A; and

WHEREAS, Aqua Texas (“Aqua”) held the CCNs to provide retail water and sewer service to Tract B; and

WHEREAS, MSUD CCNs were decertified on July 16, 2015 and Aqua CCNs were decertified on March 22, 2016, in order to allow the City to provide retail water and sewer service to the Property; and

WHEREAS, the Developer and the City have agreed that the Property will receive water and sewer service from MSUD; and

WHEREAS, the MSUD, the City, and the Developer entered into that certain Facilities Agreement (the “Facilities_Agreement”) effective on June 13, 2017, wherein MSUD has agreed to provide retail water and sewer service to the Assessed Property and, therefore, the CCNs and the UTRWD capacity included in the Original SAP are no longer required; and

WHEREAS, the City Council decided to amend and restate the Original SAP to, among other things, allow MSUD to provide retail water and sewer service to the Assessed Property; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #1 Reimbursement Agreement, effective November 10, 2015 (the “NIA #1 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #2 Reimbursement Agreement, effective August 28, 2018 (the “NIA #2 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #2 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #3 Reimbursement Agreement, effective June 11, 2019 (the “NIA #3 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #3 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Reimbursement Agreement, effective July 14, 2020 (the “NIA #4 Reimbursement Agreement”), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #4 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer determined that due to the change in water and sewer service providers, the Developer will no longer expend the amount of \$2,225,000.00 for the costs incurred in the construction of the Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) for which the City would be obligated to reimburse the Developer; and

WHEREAS, the City Council approved the creation of *Reinvestment Zone Number Four, City of Celina, Texas* (“TIRZ No. 4”), on November 5, 2015; and

WHEREAS, the TIRZ Credit related to TIRZ No. 4 was amended to reduce the City’s participation rate; and

WHEREAS, the City created TIRZ No. 8 to encompass the Neighborhood Improvement Areas #2-5 Assessed Property; and

WHEREAS, the Original SAP was amended and restated on August 28, 2018, as updated from time to time:

NOW THEREFORE, the Service and Assessment Plan is updated as follows:

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On October 13, 2015, (the “Creation Date”) the City Council of the city of Celina, Texas (the “City”) passed and approved Resolution No. 2015-51R approving and authorizing the creation of the Sutton Fields II Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property within the PID (the “Authorized Improvements”), which is located within the City.

Certain development standards have been established for the property within the PID pursuant to the terms and conditions of that certain Amended and Restated Sutton Fields Facilities and Development Agreement dated June 13, 2017 (“the Development Agreement”). The property in the PID is proposed to be developed in approximately five phases, and the PID will finance Authorized Improvements for each phase as each phase is developed. Assessments will be imposed on all property in each phase for the Authorized Improvements to be provided for that phase.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation of public improvement districts within the State of Texas. The Sutton Fields II Service and Assessment Plan was prepared pursuant to the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the Assessment Roll. According to Section 372.013 of the PID Act, a service plan “must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan for the PID is described in more detail in Section VI.

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.

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

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

B. DEFINITIONS

Capitalized terms 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, as defined in the Construction, Funding and Acquisition Agreement, that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses. Actual Costs 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, as defined in the Construction, Funding and Acquisition Agreement, that has been reviewed and approved by the City. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” 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) 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 PID Bonds, (v) issuing, paying and redeeming the PID Bonds (vii) investing or depositing of monies, (viii) complying with the PID Act and codes with respect to the PID Bonds, (ix) the Trustee fees and expenses relating to the PID Bonds, including other reasonable fees (x) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors (xi) 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 PID Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to

avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the PID Bonds or identified in any agreement approved by City Council, who shall have the responsibilities provided for herein and in the Service and Assessment Plan.

“Annual Installment” means, with respect to each Assessed Property, each annual payment of the: (i) Assessments (including the principal of and interest on), as shown on the Assessment Rolls attached hereto as Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I or in an Annual Service Plan Update, and calculated as provided in Section VII of this Service and Assessment Plan, (ii) Administrative Expenses, (iii) Prepayment reserve described in Section V of this Service and Assessment Plan, and (iv) Delinquency reserve described in Section V of this Service and Assessment Plan.

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

“As-Built Assessed Value” means the estimated future assessed value of a parcel after construction.

“Assessed Property” means a Parcel, other than Non-Benefitted Property, of land located within the PID, described by metes and bounds, 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 County, against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

“Assessment Ordinance” means each 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 Roll(s)” means the document(s) included in this Service and Assessment Plan as Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I 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 PID Bonds or in connection with any Annual Service Plan Update or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan.

“Authorized Improvements” means the public improvements identified in Section III herein and authorized under Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

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

“City” means City of Celina, Texas.

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

“Construction, Funding and Acquisition Agreement”, as applicable, the (i) “Neighborhood Improvement Areas #2-5 Construction, Funding and Acquisition Agreement” between the City and the Developer relating to the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Areas #2-5 Major Improvements, the maintenance of the Neighborhood Improvement Areas #2-5 Major Improvements, the issuance of bonds and other matters related thereto, (ii) the “Neighborhood Improvement Area #1 Construction, Funding and Acquisition Agreement” between the City and the Developer relating to the Neighborhood Improvement Area #1 Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Area #1 Improvements, the maintenance of the Neighborhood Improvement Area #1 Improvements, the issuance of bonds and other matters related thereto, (iii) the “Neighborhood Improvement Area #2 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of August 28, 2018, (iv) the “Neighborhood Improvement Area #3 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of June 11, 2019, (v) the “Neighborhood Improvement Area #4 Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of July 14, 2019, and (vi) the “Neighborhood Improvement Area #5A Construction, Funding and Acquisition Agreement” between the City and the Developer dated as of [REDACTED], 2020.

“County” means Denton County, Texas.

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

“Developer” means, as applicable, CADG Sutton Fields, LLC, a Texas limited liability company; CADG Sutton Fields II, LLC, a Texas limited liability company, and MM Sutton Fields 4A-4B, LLC, a Texas limited liability company.

“Future Neighborhood Improvement Area” means Neighborhood Improvement Areas that may be fully developed after Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, Neighborhood Improvement Area #4, and Neighborhood Improvement Area #5A, as such areas are generally depicted in Table II-C. The Future Neighborhood Improvement Areas are subject to adjustment and are shown for example only.

“Future Neighborhood Improvement Area Improvements” means those Authorized Improvements associated with any Future Neighborhood Improvement Area.

“Future Neighborhood Improvement Area Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Future Neighborhood Improvement Area. In connection with the Future Neighborhood Improvement Area Bonds, Assessments will be levied only on Parcels located within the Future Neighborhood Improvement Area in question.

“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 established for the benefit of property owners within the PID.

“Indenture” means an indenture of trust, trust agreement, ordinance or similar document between the City and Trustee setting forth the terms and other provisions relating to a series of one or more PID Bonds, as modified, amended, and/or supplemented from time to time.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the Official Public Records of Denton 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 Lot size and Lot width.

“Major Improvements” means both on-site and off-site Authorized Improvements which benefit all Assessed Property within the PID and described in Section III.

“Neighborhood Improvement Area #1” means the initial area to be developed within the PID as generally shown on the map on Table II-B consisting of approximately 130 acres.

“Neighborhood Improvement Area #1 Assessed Property” means any and all Parcels within Neighborhood Improvement Area #1 other than Non-Benefited Property and as shown in the Neighborhood Improvement Area #1 Assessment Roll against which an Assessment relating to the Neighborhood Improvement Area #1 Improvements is levied.

“Neighborhood Improvement Area #1 Assessment Roll” means the Assessment Roll covering the Neighborhood Improvement Area #1 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 PID Bonds or in connection with any Annual Service Plan Updates.

“Neighborhood Improvement Area #1 Bonds” means those certain “City of Celina, Texas, Special Assessment Revenue Bonds, Series, 2015 (Sutton Fields II Public Improvement District

Neighborhood Improvement Area #1 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Neighborhood Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #1 Improvements.

“Neighborhood Improvement Area #1 Improvements” means (i) the pro rata portion of the Major Improvements that benefit the entire PID allocable to the Neighborhood Improvement Area #1, and (ii) the Authorized Improvements which only benefit the Neighborhood Improvement Area #1 Assessed Property and are described in Section III.B hereto, and which are to be financed with Neighborhood Improvement Area #1 Bonds.

“Neighborhood Improvement Area #2” or “NIA #2” means the property within the PID, being developed as Phase 1C, as depicted on the map in Appendix A consisting of approximately 45.4 acres within the PID.

“Neighborhood Improvement Area #2 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #2 other than Non-Benefited Property.

“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, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #2 Initial Parcel” means the portion of all Parcels located within Neighborhood Improvement Area #2, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 134236.

“Neighborhood Improvement Area #2 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #2, as described in Section III.D hereto, and which are to be financed with the Neighborhood Improvement Areas #2 Reimbursement Agreement and/or the Neighborhood Improvement Areas #2-3 Bonds.

“Neighborhood Improvement Area #2 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #2 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #2 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Areas #2-3 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2019 (Sutton Fields II Public Improvement District Neighborhood Improvement Area’s #2-3 Projects) that are secured by actual revenues received by or on behalf of the City from the collection of 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 Areas #2-5” means the property within the PID, excluding the Neighborhood Improvement Area #1, as depicted on the map on Table II-C consisting of approximately 493 acres within the PID.

“Neighborhood Improvement Areas #2-5 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #2-5 other than Non-Benefited Property.

“Neighborhood Improvement Areas #2-5 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Areas #2-5 Major Improvements 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, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Areas #2-5 Initial Parcel” means the portion of all Parcels located within Neighborhood Improvement Areas #2-5, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52680, 122875, 52751, 52810, 52744, 52760, 52721, 660188, 134236.

“Neighborhood Improvement Areas #2-5 Major Improvements” means those Major Improvements that benefit the entire PID that are allocable to Neighborhood Improvement Areas #2-5, as described in Section III.C hereto, and which are to be financed with the Neighborhood Improvement Areas #2-5 Major Improvement Bonds.

“Neighborhood Improvement Areas #2-5 Major Improvement Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-5 Major Improvement Project) that are secured by Assessments levied on Neighborhood Improvement Areas #2-5 Assessed Property.

“Neighborhood Improvement Area #3” or “NIA #3” means the property within the PID, being developed as Phases 2A and 2B, as depicted on the map in Appendix A consisting of approximately 77.4 acres within the PID.

“Neighborhood Improvement Area #3 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Areas #3 other than Non-Benefited Property.

“Neighborhood Improvement Area #3 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #3 included in this SAP 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 any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #3 Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #3, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52810, 52744, 52760, and 52721.

“Neighborhood Improvement Area #3 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #3, as described in Section III.E hereto, and which are to be financed with the Neighborhood Improvement Areas #3 Reimbursement Agreement and/or the Neighborhood Improvement Areas #2-3 Bonds.

“Neighborhood Improvement Area #3 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #3 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #3 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Area #4” or “NIA #4” means the property within the PID, being developed as Phases #2C and Phase #4B, as depicted on the map in Appendix A consisting of approximately 77 acres within the PID.

“Neighborhood Improvement Area #4 Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Area #4 other than Non-Benefited Property.

“Neighborhood Improvement Area #4 Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #4 included in this SAP 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 any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #4 Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2020 (Sutton Fields II Public Improvement District Neighborhood Improvement Area #4 Projects) that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Neighborhood Improvement Area #4 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #4 Improvements.

“Neighborhood Improvement Area #4 Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #4, which as of June 9, 2019 includes the following tax map identification numbers assigned by the Denton County Appraisal District: 751232, 751234, and 134236.

“Neighborhood Improvement Area #4 Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #4, as described in Section III.F hereto, and which are initially financed with the Neighborhood Improvement Area #4 Reimbursement Agreement and replaced with proceeds from the Neighborhood Improvement Area #4 Bonds.

“Neighborhood Improvement Area #4 Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #4 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #4 Improvements funded by the Developer with interest as permitted by the Act.

“Neighborhood Improvement Area #5A” or “NIA #5A” means the property within the PID, being developed as Phases #3A, Phase #3B, Phase #3C, Phase #3D, and Phase #3E, as depicted on the map in Appendix A consisting of approximately 96 acres within the PID.

“Neighborhood Improvement Area #5A Assessed Property” means, for any year, any and all Parcels within Neighborhood Improvement Area #5A other than Non-Benefited Property.

“Neighborhood Improvement Area #5A Assessment Roll” means the Assessment Roll covering Neighborhood Improvement Area #5A included in this SAP as Appendix I, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Neighborhood Improvement Area #5A Initial Parcels” means the portion of all Parcels located within Neighborhood Improvement Area #5A, which includes the following tax map identification numbers assigned by the Denton County Appraisal District: 122875, 52680, 52690, 52751, 52810, 52744, 52721, 52760, and 52763.

“Neighborhood Improvement Area #5A Improvements” means those Authorized Improvements that benefit the Neighborhood Improvement Area #5A, as described in Section III.G hereto, and which are to be financed with the Neighborhood Improvement Area #5A Reimbursement Agreement.

“Neighborhood Improvement Area #5A Reimbursement Agreement” means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #5A Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #5A Improvements funded by the Developer with interest as permitted by the Act.

“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. Property identified as Non-Benefited Property is not assessed at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel. For Assessed Property that is converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, such property remains subject to the Assessments and the Assessments must be prepaid as provided for in Section VII.H.

“Parcel” or “Parcels” means a specific property within the PID identified by either a tax map identification number assigned by the Denton County Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Denton County, or by any other means determined by the County.

“PID” means the Sutton Fields II Public Improvement District created by the City pursuant to Resolution 2015-51R on October 13, 2015.

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

“PID Bonds” means the bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the property within the PID, which may include funds for any required reserves and amounts necessary to pay the PID Bond issuance costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the PID Act, for the purposes of (i) financing the costs of Authorized Improvements and related costs, and (ii) reimbursement for Actual Costs paid prior to the issuance of and payment for the PID Bonds. This term is used to collectively refer to the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, the Neighborhood Improvement Area #2-3 Bonds, and the Neighborhood Improvement Area #4 Bonds, throughout this SAP.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds and allowed by law, 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.

“Project” means the approximately 622 acres of land located within the City. The project is contained within the area depicted on Table II-A.

“Public Property” means property, real property, right of way and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Denton County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, or through a public utility easement.

“Service and Assessment Plan” or “SAP” means this Sutton Fields II Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the PID.

“TIRZ No. 4” means the Tax Increment Reinvestment Zone No. 4, City of Celina, Texas.

“TIRZ No. 8” means the Tax Increment Reinvestment Zone No. 8, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section V.N of this Service and Assessment Plan.

“TIRZ Ordinances” means the ordinances adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 4 Project Plan and Financing Plan (including amendments or supplements

thereto) and the Tax Increment Reinvestment Zone No. 8 Project Plan and Financing Plan (including amendments or supplements thereto)..

“**TIRZ Revenues**” mean, for each year, the amounts paid by the City from the TIRZ No. 4 tax increment fund and TIRZ No 8 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section V.M of this Service and Assessment Plan.

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

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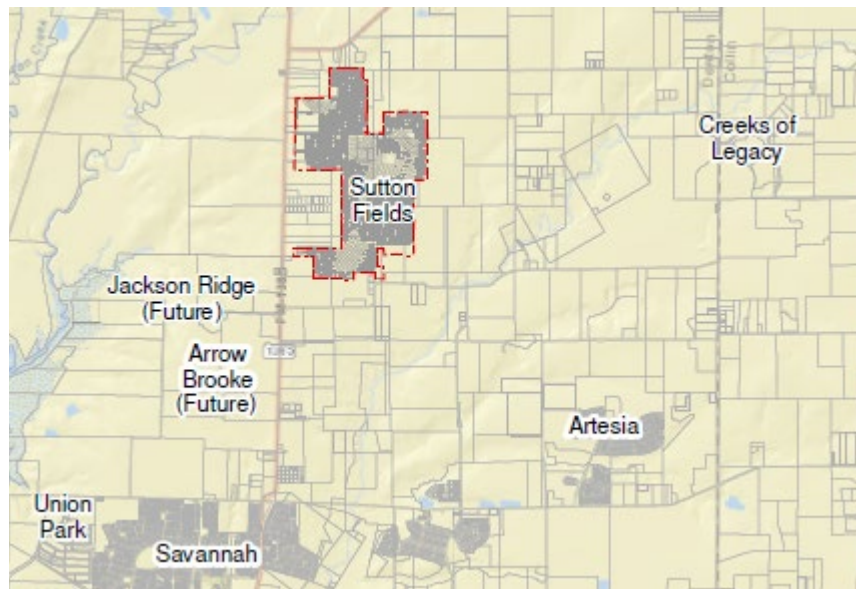
II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is comprised of the property depicted and described by metes and bounds on Exhibit A to Resolution 2015-51R, as adopted by the City Council. The PID is located within the City's corporate limits and within the extraterritorial jurisdiction of the City and contains approximately 622 acres planned for the development of approximately 2,290 single family residential lots and includes 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 original Parcels within the PID are included in Appendix B.

**Table II-A
PID Boundary Map**

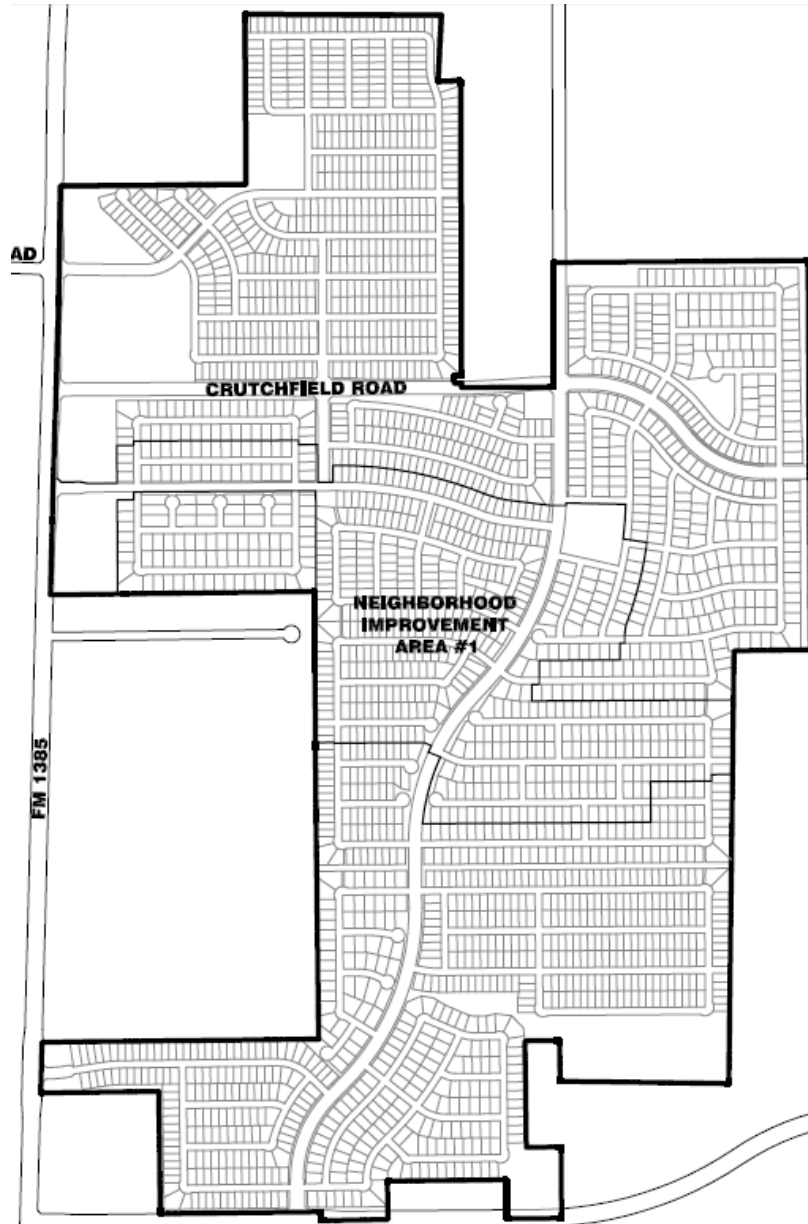


B. PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #1

The Neighborhood Improvement Area #1 contains approximately 130 acres. Neighborhood Improvement Area #1 is expected to be developed into approximately 515 single family residential lots.

A map of the property within the PID and Neighborhood Improvement Area #1 is shown in Table II-B.

Table II-B
PID Boundary Map

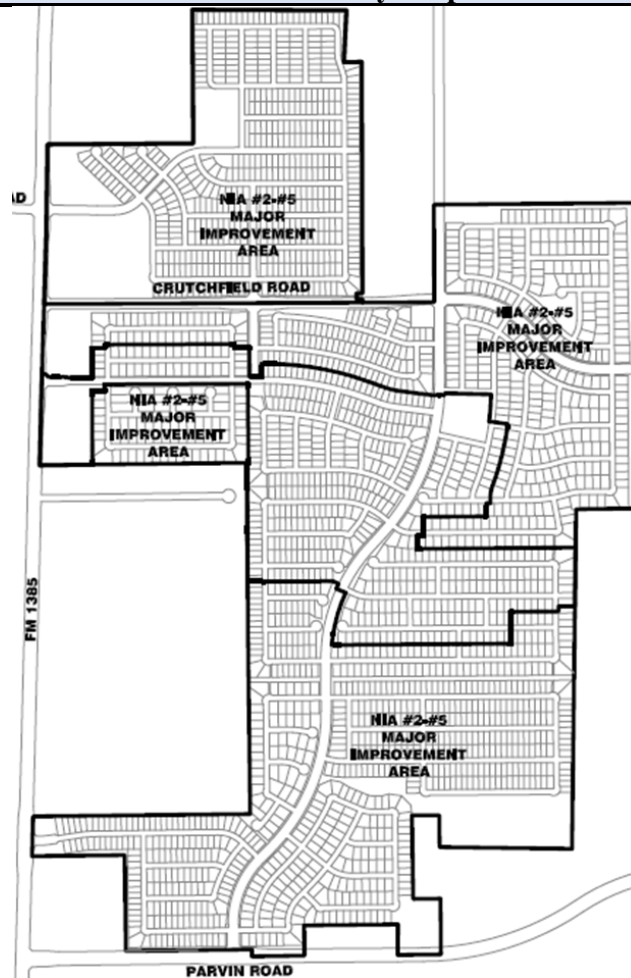


C. PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREAS #2-5

Neighborhood Improvement Areas #2-5 contain approximately 493 acres. Neighborhood Improvement Areas #2-5 are expected to be developed in separate Future Neighborhood Improvement Areas containing, in total, approximately 1,775 single family residential lots. As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to incorporate any applicable new information and a new table that depicts the impact of the applicable Future Neighborhood Improvement Area being developed.

A map of the property within the Neighborhood Improvement Areas #2-5 is shown in Table II-C.

Table II-C
PID Boundary Map



Neighborhood Improvement Area #2 contains approximately 45.4 acres. Neighborhood Improvement Area #2 is expected to be developed into approximately 162 single family residential lots.

Neighborhood Improvement Area #3 contains approximately 77.4 acres. Neighborhood Improvement Area #3 is expected to be developed into approximately 368 single family residential lots.

Neighborhood Improvement Area #4 contains approximately 77.337 acres. Neighborhood Improvement Area #4 is expected to be developed into approximately 305 single family residential lots.

Neighborhood Improvement Area #5A contains approximately 96 acres. Neighborhood Improvement Area #5A is expected to be developed into approximately 359 single family residential lots.

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III. DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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

372.003. Authorized Improvements

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

(b) A public improvement may include:

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

After analyzing the public improvements authorized by the PID Act, the City has determined that of the improvements authorized under the PID Act, it will undertake the Authorized Improvements more particularly described in Section III.B, Section III.C, Section III.D, Section III.E, and Section III.F herein for the benefit of the Property within the PID.

B. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #1

The Authorized Improvements that only benefit Improvement Area #1 are described below:

Neighborhood Improvement Area #1 Water Distribution System

This water portion of the Neighborhood Improvement Area #1 waterline improvements consists of constructing 8-inch water line, including associated and 8-inch gate valves. One-inch diameter water services will be provided to each of the 515 lots within Neighborhood Improvement Area #1. All associated waterline testing, trench safety and erosion protection during construction are included. These lines have been designed and constructed in accordance with Mustang Special Utility District (MSUD) standards and specifications and are owned and operated by MSUD. These lines include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Neighborhood Improvement Area #1 and all 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Sanitary Sewer

Neighborhood Improvement Area #1 wastewater improvements also include construction of 8" gravity sanitary sewer line that connects to the 10" gravity sewer main line. Construction includes connection at multiple points through concrete manholes. Services to individual lots are by 4" gravity sewer services. All lines have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD. These lines include the necessary appurtenances to be fully operational extending wastewater service to the limits of Neighborhood Improvement Area #1 and each of the 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Storm Drainage

The drainage portion of the Neighborhood Improvement Area #1 Improvements shall consist round concrete pipes, reinforced concrete boxes, inlets and rock riprap protection at outfalls. The main means of conveyance of storm drainage within Neighborhood Improvement Area #1 is within underground storm drainpipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Neighborhood Improvement Area #1. The system includes underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. This project has been constructed to City standards and specifications and has been dedicated to the City to own and operate.

Neighborhood Improvement Area #1 Residential Streets

Roadway improvements within Neighborhood Improvement Area #1 include construction of concrete pavement and pavement subgrade. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each lot within Neighborhood Improvement Area #1. All roadway projects have been designed and constructed in accordance with City standards and specifications and has been dedicated to the City to own and operate These projects provide access to community roadways and state highways.

C. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with Mustang Special Utility District (“MSUD”) as its retail provider of water. The Major Improvements originally anticipated to be constructed and updates to the Major Improvements because of the change are described below:

The Neighborhood Improvement Areas #2-5 Major Improvements are described below and their Actual Costs are shown in Table III-A. The Neighborhood Improvement Areas #2-5 Major Improvement Bonds will only pay for Neighborhood Improvement Areas #2-5’s share of the Major Improvements (approximately 79% except for the Offsite Sewer Improvements which are approximately 74%) as shown within Table III-A. The Actual Costs to construct the Major Improvements including the Off-Site Major Improvements is \$11,520,649. The Actual Costs to construct the Neighborhood Improvement Areas #2-5 Major Improvements minus the Off-Site Sewer Major Improvements allocated to Neighborhood Improvement Areas #2-5 and as shown in Table V-B, is \$10,611,272. The Actual Costs shown in Table III-A may be revised through Annual Service Plan Updates.

The Actual Costs for the Neighborhood Improvement Areas #2-5 Major Improvements are to be funded both from the proceeds of the Neighborhood Improvement Areas #2-5 Major Improvement Bonds as described herein and from funds contributed by the Developer.

1. Detention Ponds

Drainage System

Project shall consist of the construction of one (1) retention/detention pond, including excavation to a depth of 15-feet and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond. This project has been constructed according to City standards and specifications and is owned and operated by the City. The portion of these costs allocated to Neighborhood Improvement Areas #2-5 is \$215,582.

Updates to the Drainage System Improvements:

According to Pettit Barazza, LLC (the “Project Engineer”), final design incorporated additional detention ponds, which are new projects. Storm drainage system associated with the detention ponds are included with these improvements and generally consists of reinforced concrete pipes and reinforced concrete boxes, along with headwalls and safety end treatments, erosion control such as riprap protection, and soil stabilization. The improvements were designed according to City and the Texas Department of Transportation (TxDOT). The City maintains and operates the underground storm drainage system and the Homeowners’ Association maintains and operates the detention ponds.

2. Paving

A. Road “A” Improvements

The Roadway ‘A’ portion of the project consists of the construction of approximately 240 linear feet of 6-inch thick, 36-foot wide, concrete pavement with curb and gutter and 3,280 linear feet of 6-inch thick, 44-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. 17,978 square yards (sy) of pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This provides access from FM 1385 into the Sutton Fields Amenity Center and rest of the development.

B. Updates to the Roadway “A” Improvements:

According to the Project Engineer, Roadway “A” was renamed as Fenwick Trail. In addition, the final design includes 6-inch lime stabilization and 5-foot wide sidewalk and round concrete pipes are also included in the contracted quantities for Fenwick Trail improvements.

C. Road “F” Improvements

The Roadway ‘F’ portion of the project consists of the construction of 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides north-south access to the entire development. The roadway improvements have constructed according to City standards.

D. Updates to the Roadway “F” Improvements:

The Project Engineer provided the following updates to the Roadway “F” Improvements:

The City required a second point of access for the current phases, which required the extension of Sutton Fields Boulevard to the north and partial construction of the intersection at Crutchfield Road. The southern end of Sutton Fields Boulevard was also extended to the end of the lots developed and platted with the current phases. 4-lane divided concrete pavement and 6-inch stabilized subgrade are currently under contract. The north and south extension of Sutton Fields

Boulevard is a new project, not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

E. Road C1 – Crutchfield Road

The improvement of one-half (1/2) of Crutchfield Road (Road C1), from FM 1385 east to the intersection of Sutton Fields Boulevard, was required by the City as a second point of access to the development through Sutton Fields Boulevard. The Roadway ‘C1’ portion of the project consists of the construction 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides east-west access to the entire development. The improvement of Crutchfield Road is a new project that was not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

F. Road B – Boleyn Avenue

The City required the additional improvement of Boleyn Avenue as a condition of approval. The Roadway ‘B’ portion of the project consists of the construction of, 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides a north access to the entire development. The construction of Boleyn Avenue is a new project that was not included in the initial list of Authorized Improvements for the PID and has been constructed according to City standards.

G. FM 1385

The FM 1385 roadway portion of the project consists of the construction left and right turn lanes within FM 1385 to enhance traffic turning movement in and out of the development. These improvements have been constructed to TX DOT, Denton County and City standards. These Improvements benefit the entire project.

H. Updates to the FM 1385 Improvements:

With the additional new project of Crutchfield Road (Road C1) Improvements by the City, an additional right turn lane was required. One (1) northbound right turn lane is being constructed at Fenwick Trail (Road A) and an additional one (1) northbound right turn lane at Crutchfield Road (Road C1) with the current phases. Both turn lanes consist of hot mix asphaltic concrete. The additional right turn lane is a new project that was not included in the initial list of Authorized Improvements for the PID.

As described above, MSUD continues to provide water and wastewater services to the properties in the PID, as a result, CCNs are no longer required for the PID.

Offsite Water

A. Water Distribution System

The City is a customer of the Upper Trinity Regional Water District (“UTRWD”) and receives wholesale treated water through a major transmission line from the UTRWD Tom Harpool water treatment plant. Therefore, there are no water treatment plant upgrades required.

There is an existing 36-inch water transmission line located along the Western boundary of the project. The off-site improvements consist of constructing a new delivery point/ meter station, a 0.25 MG Ground Storage Tank, a 1.0 MG Elevated Storage Tank and a Pump Station with the required pumps to provide adequate pressure to the system. The combination of the Elevated and Ground Storage Tanks will provide the adequate storage capacity required by TCEQ and will also provide the required pressures for the entire system. Approximately 11,000 linear feet of 12-inch water line have been constructed as part of the water distribution system. All of the improvements benefit the Development. Additional waterline improvements include connection to the existing water-main, installation of associated 12-inch valves, fire hydrants, ductile iron fittings, erosion control, trench safety and testing. All water improvements have been constructed to City standards and specifications and all improvements are owned and operated by the City. These Improvements benefit Neighborhood Improvement Areas #1-4.

B. Updates to the Offsite Water Distribution System Improvements:

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with MSUD as its retail provider of water. The transition from UTRWD to MSUD resulted in the addition of 12-inch water lines along the future Tudor Place, and downsizing the proposed 12-inch water line along Fenwick Trail to an 8-inch water line. Also, a 12-inch water line was extended along the additional length of Sutton Fields Boulevard required by the City in conjunction with the current phase. The additional 12-inch water lines are new projects that were not included in the initial list of Authorized Improvements for the PID.

C. Elevated Storage Tank Engineering

Engineering for the Elevated Storage Tank will start with NIA #1 to secure all necessary approvals, including TCEQ and the City. These Improvements will benefit the entire project.

D. Updates to the Elevated Storage Tank:

The elevated storage tank is no longer required because of the transition from UTRWD to MSUD. As a result, the water distribution system was redesigned to accommodate the new points of connection and the elevated storage tank is no longer required for the PID.

3. Offsite Sewer

A. Sanitary Sewer

The City is a customer city of the Upper Trinity Regional Water District (UTRWD) and receives wastewater collection services by constructing a wastewater interceptor line and wastewater treatment services from the UTRWD collection point located at Parvin Road & Good Hope. UTRWD operates the Riverbend and Doe Creek wastewater treatment plants. The UTRWD treatment plant permit with the TCEQ has excess capacity to serve the Sutton Fields development. UTRWD is in the process of expanding both wastewater treatment plants.

This project consists of constructing 6-inch force main, associated lift station, 6,050 linear feet of 15-inch sanitary sewer gravity line, 1,250 linear feet of 12-inch sanitary sewer gravity line and 800 linear feet of 10-inch sanitary sewer gravity line generally flowing southeasterly along Parvin Road and connecting to the UTRWD collection point and Doe Creek/ Riverbend Wastewater Treatment Plants. Cutoff valves, air release valves have been constructed in accordance with City of Celina and TCEQ regulations. The gravity interceptor line has been designed to maintain the 3.0 fps minimum velocity. The line has been designed and constructed in accordance with the City's standards and specifications and is owned and operated by the City. The portion of the acquisition of this and other related costs of the CCN allocated to Neighborhood Improvement Areas #2-3 is \$909,377.

B. Updates to the Offsite Sanitary Sewer System Improvements:

The original plan for the PID anticipated the City as a customer of UTRWD providing wastewater collection services to the PID. This plan has since changed and currently, The PID has been developed with MSUD as its retail provider of wastewater collection services. As a result of this the transition from UTRWD to MSUD, the metering station at the UTRWD delivery point is no longer required because the offsite gravity sewer connects into an existing MSUD gravity line. The contracted quantities for the offsite sewer also includes gravity sanitary sewer mains from 8-inch to 24-inch diameters, along with a concrete encasement for crossing under Doe Creek, and removal and replacement of existing MSUD gravity lines to facilitate outfall. It also includes removal and replacement of existing fences.

4. Right of Way, Open Space and Civic Site Land

Upon closing of the PID Bonds corresponding to the development of a certain number of lots, the City has paid a certain amount for the acquisition of the right-of-way, open space and civic site land comprising approximately 71.3 acres.

Table III-A
Costs of Major Improvements and Neighborhood Area #1 Improvements

	Total Costs
<i>Major Improvements</i>	
Detention Ponds	\$1,713,240
Paving Road A - Fenwick	\$1,757,332
Paving Road F - Sutton Fields	\$1,329,016
Paving - FM 1385	\$473,345
Crutchfield Road	\$1,016,121
Boleyn Paving - Road B	\$262,789
ROW, open space land acquisition and park contribution	\$6,500,000
Offsite water improvements	\$1,015,695
Offsite sewer improvements	\$2,807,208
Professional consulting, legal fees and additional debt service reserve funding	\$620,000
<i>Subtotal Major Improvements</i>	<i>\$17,494,746</i>
<i>Neighborhood Improvement Area #1 Improvements</i>	
Water distribution improvements	\$1,484,079
Sewer collection improvements	\$1,327,844
Storm sewer collection improvements	\$2,563,601
Roadway improvements including site preparation	\$3,627,916
<i>Subtotal NIA #1 Improvements</i>	<i>\$9,003,440</i>
Total Authorized Improvements	\$26,498,186

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

D. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #2

The descriptions of the Neighborhood Improvement Area #2 Improvements are presented below and the Actual Costs of the Neighborhood Improvement Area #2 Improvements are shown in Table III-B. The Actual Costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation

of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Table III-B
Costs Neighborhood Improvement Area #2 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$1,699,596
Water distribution improvements	\$447,989
Sewer collection improvements	\$459,689
Storm sewer collection improvements	\$850,638
Other soft and miscellaneous costs	\$770,204
Total Authorized Improvements	\$4,228,116

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

E. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #3

The descriptions of the Neighborhood Improvement Area #3 Improvements are presented below and the Actual Costs of the Neighborhood Improvement Area #3 Improvements are shown in Table III-C. The Actual Costs shown in Table III-C may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects have been designed and constructed in accordance with City standards and specifications and are owned and operated by

the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements have been designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements have been designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Table III-C
Costs Neighborhood Improvement Area #3 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$2,437,225
Water distribution improvements	\$697,756
Sewer collection improvements	\$629,868
Storm sewer collection improvements	\$1,962,024
Other soft and miscellaneous costs	\$988,693
Total Authorized Improvements	\$6,715,566

Note: The updated Actual Costs as reported by the Developer in the first quarter 2020 developer quarterly disclosure.

F. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #4

The descriptions of the Neighborhood Improvement Area #4 Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #4 Improvements are shown in Table III-D. The estimated costs shown in Table III-D may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, sheet draining slopes and drainage channels as well as detention ponds. 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.

Table III-D
Estimated Costs Neighborhood Improvement Area #4 Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$2,286,637
Water distribution improvements	\$753,549
Sewer collection improvements	\$1,294,285
Storm sewer collection improvements	\$1,443,748
Other soft and miscellaneous costs	\$0
Total Authorized Improvements	\$5,778,220

Note: The amounts shown may be revised in Annual Service Plan Updates.

The costs of the Authorized improvements shown above are estimates and may be updated in Annual Service Plan Updates. Savings from one line item may be applied to other line items or other Authorized Improvements specified in an Annual Service Plan Update or as otherwise approved by the City Council, provides such application complies with the provision of the PID Act.

G. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #5A

The descriptions of the Neighborhood Improvement Area #5A Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #5A Improvements are shown in Table III-E. The estimated costs shown in Table III-E may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with MSUD standards and specifications and are owned and operated by MSUD.

Storm drainage collection system improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, sheet draining slopes and drainage channels as well as detention ponds. 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.

Table III-E
Estimated Costs Neighborhood Improvement Area #5A Improvements

Authorized Improvements	Total Costs
Roadway improvements	\$3,325,589
Water distribution improvements	\$970,144
Sewer collection improvements	\$959,493
Storm sewer collection improvements	\$1,107,463
Other soft and miscellaneous costs	\$4,072,657
Total Authorized Improvements	\$10,435,347

Note: The amounts shown may be revised in Annual Service Plan Updates.

The costs of the Authorized improvements shown above are estimates and may be updated in Annual Service Plan Updates. Savings from one line item may be applied to other line items or other Authorized Improvements specified in an Annual Service Plan Update or as otherwise approved by the City Council, provides such application complies with the provision of the PID Act.

H. DESCRIPTIONS AND COSTS OF FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS

Future Neighborhood Improvement Area Bonds may be issued in the future to fund Future Neighborhood Improvement Area Improvements, subject to the approval of the City Council. Should that occur, then in association with issuing Future Neighborhood Improvement Area Bonds, this Service and Assessment Plan will be amended to identify the Future Neighborhood Improvement Area Improvements as well as adding Table III-F.

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IV. FUTURE NEIGHBORHOOD IMPROVEMENT AREA BONDS TEST

A. FUTURE NEIGHBORHOOD IMPROVEMENT AREA BONDS

The City has reserved the right to issue Future Neighborhood Improvement Area Bonds for any purpose permitted by the Act, including those described above, and in accordance with the conditions set forth below:

1. At least seventy five percent (75%) of the residential lots within the particular Future Neighborhood Improvement Area of the PID for which Authorized Improvements are financed by the Future Neighborhood Improvement Area Bonds must be under contract with merchant builders unaffiliated with the Developer.
2. The ratio of the appraised value of all of the land in the particular Future Neighborhood Improvement Area of the PID, based on an independent appraisal and assuming completion of the improvements within such phase to be financed with the proceeds of the Future Neighborhood Improvement Area Bonds to be issued, to the principal amount of the Future Neighborhood Improvement Area Bonds to be issued must be at least 3.0:1;
3. Construction contracts for at least 50% of the costs of the Authorized Improvements in such Future Neighborhood Improvement Area to be paid with proceeds of the applicable series of Future Neighborhood Improvement Area Bonds must be executed and ready to proceed; and
4. Construction of residences in all previously financed Neighborhood Improvement Areas taken as a whole must be at least twenty five percent (25%) complete or underway.

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V. ASSESSMENT PLAN

A. INTRODUCTION

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

The proposed bond issuance program entails a series of PID Bond financings that are intended to finance the Authorized Improvements required for the Project. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement Bonds issued in 2015, and the Neighborhood Improvement Areas #2-3 Bonds issued in 2019, the Neighborhood Improvement Area #4 Bonds, and Future Neighborhood Improvement Area Bonds may be issued over the upcoming decade as the subsequent neighborhood improvement areas are added (NIA #5A, each corresponding to a Future Neighborhood Improvement Area) of the development are gradually constructed.

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

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of PID Bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt load at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements can be reimbursed by a subsequent parity lien bond financing, secured by the same assessments, once the assessed property is partially or fully developed and the value has increased sufficiently to permit the issuance of the additional bonds in a prudent fashion.

It is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Neighborhood Improvement Areas will receive from internal subdivision Authorized Improvements that will benefit each individual Future Neighborhood Improvement Area and that are to be financed with Future Neighborhood Improvement Area Bonds. Therefore, Parcels within Neighborhood Improvement Areas #2-5 were initially assessed for the special benefits conferred upon the Parcel because of the Major Improvements.

In connection with the levying of additional Assessments on Future Neighborhood Improvement Area Assessed Property, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel within a Future Neighborhood Improvement Area receives from the specific Authorized Improvements. Prior to levying an additional Assessment on a Parcel located within Future Neighborhood Improvement Areas, 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 Neighborhood Improvement Areas #2-5 Major Improvements, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements, Neighborhood Improvement Area #3 Improvements, Neighborhood Improvement Area #4 Improvements, and Neighborhood Improvement Area #5A Improvements (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Neighborhood Improvement Area #1 Assessed Property, the Neighborhood Improvement Area #2 Assessed Property, the Neighborhood Improvement Area #3 Assessed Property, the Neighborhood Improvement Area #4 Assessed Property, the Neighborhood Improvement Area #5A Assessed Property, and the Neighborhood Improvement Areas #2-5 Assessed Property for such Authorized Improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Neighborhood Improvement Area #2-5 Major Improvements, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements, Neighborhood Improvement Area #3 Improvements, Neighborhood Improvement Area #4 Improvements, and Neighborhood Improvement Area #5A Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such Authorized Improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

B. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #1

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #1, and these costs are allocated 100% to Neighborhood Improvement Area #1. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #1 are shown in Table V-A.1. The costs detailed in Table V-A.1 are subject to revision through the Annual Service Plan Updates.

C. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #2

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #2, and these costs are allocated 100% to Neighborhood Improvement Area #2. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A.2. The Actual Costs detailed in Table V-A.2 are subject to revision through the Annual Service Plan Updates.

D. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #3

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #3, and these costs are allocated 100% to Neighborhood Improvement Area #3. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A.3. The Actual Costs detailed in Table V-A.3 are subject to revision through the Annual Service Plan Updates.

E. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #4

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #4, and these costs are allocated 100% to Neighborhood Improvement Area #4. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #4 are shown in Table V-A.4. The costs detailed in Table V-A.4 are subject to revision through the Annual Service Plan Updates.

F. ALLOCATION OF COSTS OF AUTHORIZED IMPROVEMENTS ONLY BENEFITING NEIGHBORHOOD IMPROVEMENT AREA #5A

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #5A, and these costs are allocated 100% to Neighborhood Improvement Area #5A. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #5A are shown in Table V-A.5. The costs detailed in Table V-A.5 are subject to revision through the Annual Service Plan Updates.

G. ALLOCATION OF COSTS OF MAJOR IMPROVEMENTS

The Major Improvements provide special benefit to all Assessed Property within the PID, and these costs are allocated between Neighborhood Area #1 and Neighborhood Improvement Areas #2-5 based on the estimated As-Built Assessed Value. The Actual Costs of the Major Improvements are shown in Table V-A.1. The Actual Costs detailed in Table V-A.1 are subject to revision through the Annual Service Plan Updates.

H. ALLOCATION OF COSTS RELATING TO ISSUANCE OF PID BONDS

The costs relating to the issuance of the Neighborhood Improvement Area #1 Bonds are allocated 100% to Neighborhood Improvement Area #1 Assessed Property. The costs relating to issuing Neighborhood Improvement Area #2-5 Major Improvement Bonds are allocated 100% to Neighborhood Improvement Areas #2-5. The costs relating to the issuance of the Neighborhood Improvement Areas #2-3 Bonds are allocated 100% to Neighborhood Improvement Area #2 Assessed Property and the Neighborhood Improvement Area #3 Assessed Property. The costs related to the issuance of the Neighborhood Improvement Area #4 Bonds are allocated 100% to Neighborhood Improvement Area #4 Assessed. Any costs associated with a Future Neighborhood Improvement Area Bond will be allocated 100% to that Future Neighborhood Improvement Area.

I. ALLOCATION OF ACTUAL COSTS OF FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS

As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to reflect allocation of the cost of Authorized Improvements benefitting the Future Neighborhood Improvement Area.

J. INCORPORATION BY REFERENCE

The Recitals to this amended and restated Service and Assessment Plan are hereby incorporated by reference as if set forth in the body of this amended and restated Service and Assessment Plan and are made a part hereof for all purposes.

The Actual Costs of the Neighborhood Improvement Area #1 Improvements and the Neighborhood Improvement Areas #2-5 Improvements that provide a benefit to Neighborhood Improvement Area #1 and Neighborhood Improvement Areas #2-5 are shown in Table V-A.1 on the following page.

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Table V-A.1
Allocation of Authorized Improvement Costs

	Total Costs (a)	Neighborhood Improvement Area #1		Neighborhood Improvement Areas #2-5	
		% Allocation	Share of Costs	% Allocation	Share of Costs
MAJOR IMPROVEMENTS					
Detention Ponds (b)	\$1,713,240	20.81%	\$356,525	79.19%	\$1,356,714
Paving Road A - Fenwick (b)	\$1,757,332	20.81%	\$365,701	79.19%	\$1,391,631
Paving Road F - Sutton Fields (b)	\$1,329,016	20.81%	\$276,568	79.19%	\$1,052,447
Paving - FM 1385	\$473,345	20.81%	\$98,503	79.19%	\$374,842
1/2 Crutchfield Road (b)	\$1,016,121	20.81%	\$211,455	79.19%	\$804,666
ROW and Open Space Acquisition	\$6,500,000	20.81%	\$1,352,650	79.19%	\$5,147,350
Boleyn Paving - Road B (b)	\$262,789	20.81%	\$54,686	79.19%	\$208,103
Offsite Water	\$1,015,695	20.81%	\$211,366	79.19%	\$804,329
Offsite Sewer (b)	\$2,807,208	20.81%	\$584,180	79.19%	\$2,223,028
Professional consulting and legal fees	\$620,000	20.81%	\$129,022	79.19%	\$490,978
A	\$17,494,746		\$3,640,657		\$13,854,089
AUTHORIZED IMPROVEMENTS ONLY BENEFITTING NEIGHBORHOOD IMPROVEMENT AREA #1					
Water Improvements	\$1,484,079	100%	\$1,484,079	0%	\$0
Sewer Improvements	\$1,327,844	100%	\$1,327,844	0%	\$0
Storm Sewer Improvements	\$2,563,601	100%	\$2,563,601	0%	\$0
Roadway Improvements	\$3,627,916	100%	\$3,627,916	0%	\$0
B	\$9,003,440		\$9,003,440		\$0
Subtotal - Major Improvements + Neighborhood Area #1 Improvements	C=A+B	\$26,498,186	\$12,644,096		\$13,854,089
NEIGHBORHOOD IMPROVEMENT AREAS #2-5 BOND COSTS					
Debt Service Reserve Fund	\$1,430,125	0%	\$0	100%	\$1,430,125
Capitalized Interest	\$2,398,264	0%	\$0	100%	\$2,398,264
Cost of Issuance	\$1,179,750	0%	\$0	100%	\$1,179,750
Underwriter's Discount	\$437,266	0%	\$0	100%	\$437,266
D	\$5,445,405		\$0		\$5,445,405
NEIGHBORHOOD IMPROVEMENT AREA #1 BOND COSTS					
Debt Service Reserve Fund	\$978,100	100%	\$978,100	0%	\$0
Capitalized Interest	\$1,448,051	100%	\$1,448,051	0%	\$0
Cost of Issuance	\$871,556	100%	\$871,556	0%	\$0
Underwriter's Discount	\$300,434	100%	\$300,434	0%	\$0
E	\$3,598,141		\$3,598,141		\$0
Subtotal – Neighborhood Improvement Areas #2-5 Bond Cost + Neighborhood Improvement Area #1 Bond Cost	F=D+E	\$9,043,546	\$3,598,141		\$5,445,405
TOTAL AUTHORIZED IMPROVEMENTS	G=C+F	\$35,541,732	\$16,242,238		\$19,299,494

(a) See also Table III-A.

(b) The costs shown are updated from what was presented in the original SAP. City Council has allowed the cost overruns to be included in the NIA #2-5 Actual Cost, but the cost overruns are not permitted in the NIA #1 Actual Cost and will be covered by the Developer.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

The Actual Costs of the Neighborhood Improvement Area #2 Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A.2 below.

Table V-A.2
Allocation of NIA #2 Improvement Costs

		Neighborhood Improvement Area #2	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #2			
Roadway improvements	\$1,699,596	100%	\$1,699,596
Water distribution improvements	\$447,989	100%	\$447,989
Sewer collection improvements	\$459,689	100%	\$459,689
Storm Sewer collection improvements	\$850,638	100%	\$850,638
Other soft and miscellaneous costs	\$770,204	100%	\$770,204
Total NIA #2 Improvements	\$4,228,116		\$4,228,116

(a) See Table III-B for details.

The Actual Costs of the Neighborhood Improvement Area #3 Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A.3 below.

Table V-A.3
Allocation of NIA #3 Improvement Costs

		Neighborhood Improvement Area #3	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #3			
Roadway improvements	\$2,437,225	100%	\$2,437,225
Water distribution improvements	\$697,756	100%	\$697,756
Sewer collection improvements	\$629,868	100%	\$629,868
Storm Sewer collection improvements	\$1,962,024	100%	\$1,962,024
Other soft and miscellaneous costs	\$988,693	100%	\$988,693
Total NIA #3 Improvements	\$6,715,566		\$6,715,566

(a) See Table III-C for details.

The estimated costs of the Neighborhood Improvement Area #4 Improvements that only provide a benefit to Neighborhood Improvement Area #4 are shown in Table V-A.4 on the following page.

Table V-A.4
Allocation of NIA #4 Improvement Costs

		Neighborhood Improvement Area #4	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #4			
Roadway improvements	\$2,286,637	100%	\$2,286,637
Water distribution improvements	\$753,549	100%	\$753,549
Sewer collection improvements	\$1,294,285	100%	\$1,294,285
Storm Sewer collection improvements	\$1,443,748	100%	\$1,443,748
Other soft and miscellaneous costs	\$0	100%	\$0
Total NIA #4 Improvements	\$5,778,220		\$5,778,220

(a) See Table III-D for details.

The estimated costs of the Neighborhood Improvement Area #5A Improvements that only provide a benefit to Neighborhood Improvement Area #5A are shown in Table V-A.5 below.

Table V-A.5
Allocation of NIA #5A Improvement Costs

		Neighborhood Improvement Area #5A	
	Total Costs (a)	% <i>Allocation</i>	<i>Share of Costs</i>
Authorized Improvements Only Benefitting Neighborhood Improvement Area #5A			
Roadway improvements	\$3,325,589	100%	\$3,325,589
Water distribution improvements	\$970,144	100%	\$970,144
Sewer collection improvements	\$959,493	100%	\$959,493
Storm Sewer collection improvements	\$1,107,463	100%	\$1,107,463
Other soft and miscellaneous costs	\$4,072,657	100%	\$4,072,657
Total NIA #5A Improvements	\$10,435,347		\$10,435,347

(a) See Table III-E for details.

K. DETERMINATION OF SPECIAL BENEFIT AND ASSESSMENTS

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 City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

Neighborhood Improvement Area #1

- a) The Neighborhood Improvement Area #1 Improvement costs allocated to Neighborhood Improvement Area #1 equals \$16,242,238; and
- b) The Neighborhood Improvement Area #1 Assessed Property receives special benefit from the Neighborhood Improvement Area #1 Improvements; and
- c) The Neighborhood Improvement Area #1 Initial Parcel consists of all property in Neighborhood Improvement Area #1, therefore the Neighborhood Improvement Area #1 Initial Parcel was allocated 100% of the Neighborhood Improvement Area #1 Assessments, which equal \$11,560,000 as shown on the Neighborhood Improvement Area #1 Assessment Roll attached hereto as Appendix D. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #1 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #1 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #1 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-B.

Table V-B
Neighborhood Improvement Area #1 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #1 Improvements (a)	\$12,644,097
Reserve Fund	\$978,100
Capitalized Interest	\$1,448,051
Cost of Issuance (b)	\$871,556
Underwriter's Discount/Underwriter's Counsel	\$300,434
<i>Subtotal Special Benefit</i>	<i>\$16,242,238</i>
Assessments	
Assessments securing Neighborhood Improvement Area #1 Bonds	\$11,560,000
Excess Benefits	\$4,682,238

(a) See Table V-A.1 for details

(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

Neighborhood Improvement Areas #2-5

- a) The Neighborhood Improvement Areas #2-5 Improvement costs allocated to Neighborhood Improvement Areas #2-5 equals \$19,299,355; and
- b) The Neighborhood Improvement Areas #2-5 Assessed Property receives special benefit from the Neighborhood Improvement Areas #2-5 Improvements; and

- c) The Neighborhood Improvement Areas #2-5 Initial Parcel consists of all property in Neighborhood Improvement Areas #2-5, therefore the Neighborhood Improvement Areas #2-5 Initial Parcel was allocated 100% of the Neighborhood Improvement Areas #2-5 Assessments, which equal \$16,825,000 as shown on the Neighborhood Improvement Areas #2-5 Assessment Roll attached hereto as Appendix E; and
- d) The Neighborhood Improvement Areas #2-5 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Areas #2-5 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-C below.

Table V-C
Neighborhood Improvement Areas #2-5 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2-5 Improvements (a)	\$13,854,089
Reserve Fund	\$1,430,125
Capitalized Interest	\$2,398,125
Cost of Issuance (b)	\$1,179,750
Underwriter's Discount/Underwriter's Counsel	\$437,266
<i>Subtotal Special Benefit</i>	<i>\$19,299,355</i>
Assessments	
Assessments securing Neighborhood Improvement Area #2-5 Bonds	\$16,825,000
Excess Benefits	\$2,474,355

(a) See Table V-A.1 for details

(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

Neighborhood Improvement Area #2

- a) The Actual Costs of the Neighborhood Improvement Area #2 Improvements allocated to Neighborhood Improvement Area #2 equals \$4,228,116; and
- b) The Neighborhood Improvement Area #2 Assessed Property receives special benefit from the Neighborhood Improvement Area #2 Improvements; and
- c) The Neighborhood Improvement Area #2 Initial Parcel initially consisted of all property in Neighborhood Improvement Area #2, therefore the Neighborhood Improvement Area #2 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) was allocated 100% of the Neighborhood Improvement Area #2 Assessments, which equal \$1,905,000 as shown on the Neighborhood Improvement Area #2 Assessment Roll attached hereto as Appendix F. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #2 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and

- d) The Neighborhood Improvement Area #2 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #2 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-D below.

Table V-D
Neighborhood Improvement Area #2 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2 Improvements (a)	\$4,228,116
Reserve Fund	\$164,967
Capitalized Interest	\$0
Cost of Issuance	\$110,529
Underwriter's Discount/Underwriter's Counsel	\$57,150
<i>Subtotal Special Benefit</i>	<i>\$4,560,762</i>
Assessments	
Assessments securing Neighborhood Improvement Areas #2-3 Bonds	\$1,905,000
Excess Benefits	\$2,655,762

(a) See Table V-A.2 for details

Neighborhood Improvement Area #3

- a) The Actual Costs of the Neighborhood Improvement Area #3 Improvements allocated to Neighborhood Improvement Area #3 equals \$6,715,566; and
- b) The Neighborhood Improvement Area #3 Assessed Property receives special benefit from the Neighborhood Improvement Area #3 Improvements; and
- c) The Neighborhood Improvement Area #3 Initial Parcel consists of all property in Neighborhood Improvement Area #3, therefore the Neighborhood Improvement Area #3 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) was allocated 100% of the Neighborhood Improvement Area #3 Assessments, which equal \$4,450,000 as shown on the Neighborhood Improvement Area #3 Assessment Roll attached hereto as Appendix G. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #3 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #3 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #3 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-E on the following page.

Table V-E
Neighborhood Improvement Area #3 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #3 Improvements (a)	\$6,715,566
Reserve Fund	\$385,357
Capitalized Interest	\$360,710
Cost of Issuance	\$241,471
Underwriter's Discount/Underwriter's Counsel	\$133,500
<i>Subtotal Special Benefit</i>	<i>\$7,836,604</i>
Assessments	
Assessments securing Neighborhood Improvement Areas #2-3 Bonds	\$4,450,000
Excess Benefits	\$3,386,604

(a) See Table V-A.3 for details

Neighborhood Improvement Area #4

- a) The estimated costs of the Neighborhood Improvement Area #4 Improvements allocated to Neighborhood Improvement Area #4 equals \$5,778,220; and
- b) The Neighborhood Improvement Area #4 Assessed Property receives special benefit from the Neighborhood Improvement Area #4 Improvements; and
- c) The Neighborhood Improvement Area #4 Initial Parcel consists of all property in Neighborhood Improvement Area #4, therefore the Neighborhood Improvement Area #4 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #4 Assessments, which equal \$4,000,000 as shown on the Neighborhood Improvement Area #4 Assessment Roll attached hereto as Appendix H. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #4 is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and
- d) The Neighborhood Improvement Area #4 Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #4 Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-F on the following page.

Table V-F
Neighborhood Improvement Area #4 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #4 Improvements (a)	\$5,778,220
Reserve Fund	\$360,210
Capitalized Interest	\$184,400
Cost of Issuance	\$280,000
Underwriter's Discount/Underwriter's Counsel	\$120,000
<i>Subtotal Special Benefit</i>	<i>\$6,722,830</i>
Assessments	
Assessments securing Neighborhood Improvement Area #4 Bonds	\$4,000,000
Excess Benefits	\$2,722,830

(a) See Table V-A.4 for details

At the time the City Council approved the SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The City Council has determined that funding the Actual Costs through the PID is beneficial to the City. The Authorized Improvements result in a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Assessment. This conclusion is supported by the information provided to the City Council regarding the PID.

Neighborhood Improvement Area #5A

- a) The estimated costs of the Neighborhood Improvement Area #5A Improvements allocated to Neighborhood Improvement Area #5A equals \$10,435,347; and
- b) The Neighborhood Improvement Area #5A Assessed Property receives special benefit from the Neighborhood Improvement Area #5A Improvements; and
- c) The Neighborhood Improvement Area #5A Initial Parcel consists of all property in Neighborhood Improvement Area #5A, therefore the Neighborhood Improvement Area #5A Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #5A Assessments, which equal \$4,417,000 as shown on the Neighborhood Improvement Area #5A Assessment Roll attached hereto as Appendix I. The Assessment per Unit for each Lot Type within Neighborhood Improvement Area #5A is shown in Appendix C as calculated pursuant to the Assessment allocation methodology using estimated buildout values as described in the Original SAP; and

- d) The Neighborhood Improvement Area #5A Assessed Property receives a direct and special benefit from the Neighborhood Improvement Area #5A Improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-G below.

Table V-G
Neighborhood Improvement Area #5A Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #5A Improvements (a)	\$10,435,347
Reserve Fund	\$0
Capitalized Interest	\$0
Cost of Issuance	\$0
Underwriter's Discount/Underwriter's Counsel	\$0
<i>Subtotal Special Benefit</i>	<i>\$10,435,347</i>
Assessments	
Assessments securing NIA #5A Reimbursement Agreement	\$4,417,000
Excess Benefits	\$6,018,347

(a) See Table V-A.5 for details

At the time the City Council approved the SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The City Council has determined that funding the Actual Costs through the PID is beneficial to the City. The Authorized Improvements result in a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Assessment. This conclusion is supported by the information provided to the City Council regarding the PID.

L. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, updates to the Assessment Rolls and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel or Lot (ii) the Assessment for each 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 VII.G of this Service and Assessment Plan.

The Service and Assessment Plan Update shall reflect the actual interest on the PID Bonds on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the PID Bonds and Developer funds.

M. FUTURE NEIGHBORHOOD IMPROVEMENT AREA ASSESSMENT ROLL

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Area #5B, etc.).

N. ASSESSMENTS AND ANNUAL INSTALLMENTS

The Assessments for the PID Bonds will be levied on each Parcel or Lot according to the Assessment Rolls. The Annual Installments for the PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

O. 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 Assessment Roll, which will be revised based on actual costs incurred in Annual Service Plan Updates. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administration Expenses.

P. ADDITIONAL INTEREST RATE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the PID Bonds by no more than one half of one percent (0.50%), (the “Additional Interest Rate”). For Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to the extent funds are available under the applicable Indenture, forty percent (40.0%) of the funds generated by the Excess Interest Rate (0.20%) will initially fund the Prepayment Reserve. For Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to the extent funds are available under the applicable Indenture, the remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (0.30%) will initially fund the Delinquency Reserve. For the Neighborhood Improvement Area #2-3 Bonds and the Neighborhood Improvement Area #4 Bonds, the funds generated by the Excess Interest Rate, (0.50%), will fund the Delinquency and Prepayment Reserve (as described in Section V.R herein) pursuant to the applicable indenture.

Q. PREPAYMENT RESERVE

As stated, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds are actually redeemed (“the Prepayment Reserve”). To the extent funds are available under the applicable Indenture, each Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, but in no event will the annual collections be more than 0.20% higher than the actual interest rate paid on the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds. If the PID Act is subsequently amended to allow prepayment of an Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds payments to be charged upon the prepayment of the Assessment, the 0.20% allocated to fund the associated interest charged between the date of prepayment of the Assessment and the date on which Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds are actually prepaid may be eliminated. If in a given year the additional reserve is fully funded at 1.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, respectively, the City and the Developer can allocate the Prepayment Reserve Component of the Excess Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the applicable Indenture.

R. DELINQUENCY RESERVE

To the extent funds are available under the applicable Trust Indenture, each additional delinquency reserve (the “Delinquency Reserve”) shall be funded each year up to 4.0% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% higher than the actual interest rate paid on the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, respectively. If in a given year the additional reserve is fully funded at 5.5% of the par amount of the Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds, the City and the Developer shall allocate the Delinquency Reserve component of the Excess Interest Rate collected to the redemption of Neighborhood Improvement Area #1 Bonds and Neighborhood Improvement Areas #2-5 Bonds as set forth in the applicable Indenture.

S. DELINQUENCY AND PREPAYMENT RESERVE

With respect to the Neighborhood Improvement Areas #2-3 Bonds, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which and Neighborhood Improvement Areas #2-3 Bonds are actually redeemed and to offset any possible delinquent payments. To the extent funds are available under the applicable Trust Indenture, this additional reserve for Neighborhood Improvement Areas #2-3 Bonds (the “Delinquency and Prepayment Reserve”) shall be funded each year up to 5.5% of the par amount of the Neighborhood Improvement Areas #2-3 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, the City shall will designate such Excess Interest Rate collected for the redemption of Neighborhood Improvement Areas #2-3 Bonds as set forth in the applicable Indenture.

With respect to the Neighborhood Improvement Area #4 Bonds, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which and Neighborhood Improvement Area #4 Bonds are actually redeemed and to offset any possible delinquent payments. To the extent funds are available under the applicable Trust Indenture, this additional reserve for Neighborhood Improvement Area #4 Bonds (the "Delinquency and Prepayment Reserve") shall be funded each year up to 5.5% of the par amount of the 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 Area #4 Bonds, the City shall will designate such Excess Interest Rate collected for the redemption of Neighborhood Improvement Area #4 Bonds as set forth in the applicable Indenture.

T. TIRZ CREDIT

The City has agreed to use TIRZ Revenues from TIRZ No. 4 generated from property within Neighborhood Improvement Area #1 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Area #1 Assessed Property and has agreed to use TIRZ Revenues from TIRZ No. 8 generated from property within Neighborhood Improvement Areas #2-5 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Areas #2-5 Assessed Property, respectively (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel.

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VI. SERVICE PLAN

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 financed with the Neighborhood Improvement Areas #2-5 Major Improvement Bonds and the Neighborhood Improvement Area #1 Improvements financed with the Neighborhood Improvement Area #1 Bonds have been constructed and accepted by the City. The Neighborhood Improvement Area #2 Improvements have been constructed and accepted by the City. The Neighborhood Improvement Area #3 Improvements have been constructed and accepted by the City. It is anticipated that it will take approximately 6 months for the Neighborhood Improvement Area #4 Improvements to be constructed. It is anticipated that it will take approximately 12 months for the Neighborhood Improvement Area #5A Improvements to be constructed. 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 Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement 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, and the Neighborhood Improvement Area #5A Reimbursement Agreement, are shown on Appendix D, Appendix E, Appendix F, Appendix G, Appendix H, and Appendix I, respectively. The projected annual installments are subject to revision and shall be updated in the Annual Service Plan Update as necessary.

The Actual Costs for Neighborhood Improvement Area #1 Improvements plus the 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 \$16,242,238 as shown in Table VI-A. The Actual Costs for Neighborhood Improvement Areas #2-5 Major Improvements plus costs related to the issuance of the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is \$19,299,494 as shown in Table VI-A on the following page

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Table VI-A
Sources and Uses of Funds – NIA #1 and NIA #2-5

Sources of Funds	Neighborhood Improvement Area #1	Neighborhood Improvement Area #2-5
Gross Bond Amount	\$11,560,000	\$16,825,000
Developer's Advance (a)	\$2,581,645	\$437,266
Other funding sources (b)	\$2,100,592	\$2,037,228
Total Sources	\$16,242,238	\$19,299,494
Uses of Funds		
Authorized Improvements (c)	\$12,644,097	\$13,854,089
Debt Service Reserve Fund	\$978,100	\$1,430,125
Capitalized Interest	\$1,448,051	\$2,398,264
Costs of Issuance	\$871,556	\$1,179,750
Underwriter's Discount	\$300,434	\$437,266
Total Uses	\$16,242,238	\$19,299,494

(a) The amounts represent the Developer deposits at the time of bond issuance.

(b) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the bond proceeds and Developer deposits at bond closing.

(c) See Table V-A for details.

The Actual Costs for Neighborhood Improvement Area #2 Improvements and the Neighborhood Improvement Area #3 Improvements plus the costs related to the issuance of the Neighborhood Improvement Area #2-3 Bonds is \$12,118,963 as shown in Table VI-B on the following page.

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Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Table VI-B
Sources and Uses of Funds – NIA #2 and NIA #3

Sources of Funds	Neighborhood Improvement Area #2	Neighborhood Improvement Area #3	Total
Neighborhood Improvement Areas #2-3 Bond Amount	\$1,905,000	\$4,450,000	\$6,355,000
Other funding sources (a)	\$2,655,762	\$3,108,201	\$5,763,963
Total Sources	\$4,560,762	\$7,558,201	\$12,118,963
Uses of Funds			
Authorized Improvements (b)	\$4,228,116	\$6,437,163	\$10,665,279
Debt Service Reserve Fund	\$164,967	\$385,357	\$550,324
Capitalized Interest	\$0	\$360,710	\$360,710
Costs of Issuance	\$110,529	\$241,471	\$352,000
Underwriter's Discount	\$57,150	\$133,500	\$190,650
Total Uses	\$4,560,762	\$7,558,201	\$12,118,963

(a) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the Neighborhood Improvement Areas #2-3 Bond proceeds and Developer deposits at bond closing.

(b) See Table V-D and Table V-E for details.

The estimated costs for Neighborhood Improvement Area #4 Improvements plus the costs related to the issuance of the Neighborhood Improvement Area #4 Bonds is \$6,722,830 as shown in Table VI-C on the following page.

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Table VI-C
Sources and Uses of Funds – NIA #4

Sources of Funds	Neighborhood Improvement Area #4
Neighborhood Improvement Area #4 Bond Amount	\$4,000,000
Other funding sources (a)	\$2,722,830
Total Sources	\$6,722,830
Authorized Improvements (b)	\$5,778,220
Debt Service Reserve Fund	\$360,210
Capitalized Interest	\$184,400
Costs of Issuance	\$280,000
Underwriter's Discount	\$120,000
Total Uses	\$6,722,830

(a) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the Neighborhood Improvement Area #4 Bond proceeds and Developer deposits at bond closing.

(b) See Table V-F for details.

The estimated costs for Neighborhood Improvement Area #4 Improvements is shown in Table VI-C below.

Table VI-D
Sources and Uses of Funds – NIA #5A

Sources of Funds	Total
Neighborhood Improvement Area #5A Reimbursement Agreement	\$4,417,000
Other funding sources (a)	\$6,018,347
Total Sources	\$10,435,347
Uses of Funds	
Authorized Improvements (b)	\$10,435,347
Total Uses	\$10,435,347

(a) The other funding sources represent projected costs of Neighborhood Improvements Area #5A to be funded by the Developer in excess of the Assessments for Neighborhood Improvements Area #5A.

(b) See Table V-F for details.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Areas #2-5 and Neighborhood Improvement Area #1 is shown by Table VI-E. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-E
Annual Projected Costs and Annual Projected Indebtedness – NIA #2-5 and NIA #1

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #2-5 Projected Annual Installments	NIA #1 Projected Annual Installments
2019 & Prior	\$35,541,732	\$28,385,000	\$7,156,732	\$3,531,274	\$2,370,798
2020	\$0	\$0	\$0	\$1,798,848	\$1,097,110
2021	\$0	\$0	\$0	\$1,796,497	\$1,095,984
2022	\$0	\$0	\$0	\$1,796,973	\$1,094,108
2023	\$0	\$0	\$0	\$1,794,836	\$1,096,483
2024	\$0	\$0	\$0	\$1,790,088	\$1,097,723
2025	\$0	\$0	\$0	\$1,798,848	\$1,097,826
Total	\$35,541,732	\$28,385,000	\$7,156,732	\$14,307,364	\$8,950,032

The annual projected costs shown in Table VI-E are the annual expenditures relating to the Authorized Improvements shown in Table III-A, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.1. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Areas #2-3 is shown by Table VI-F. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-F
Annual Projected Costs and Annual Projected Indebtedness - NIA #2-3

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #2 Projected Annual Installments	NIA #3 Projected Annual Installments
2019 & Prior	\$12,118,963	\$6,355,000	\$5,763,963	\$0	\$0
2020	\$0	\$0	\$0	\$144,563	\$196,967
2021	\$0	\$0	\$0	\$114,277	\$245,994
2022	\$0	\$0	\$0	\$114,448	\$261,694
2023	\$0	\$0	\$0	\$114,627	\$261,714
2024	\$0	\$0	\$0	\$114,814	\$261,749
2025	\$0	\$0	\$0	\$144,563	\$261,798
Total	\$12,118,963	\$6,355,000	\$5,763,963	\$747,292	\$1,489,916

The annual projected costs shown in Table VI-F are the annual expenditures relating to the Authorized Improvements shown in Tables III-B and III-C, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.2 and Table V-

A.3. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Area #4 Bonds is shown by Table VI-G below. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-G
Annual Projected Costs and Annual Projected Indebtedness - NIA #4

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #4 Projected Annual Installments
2021	\$6,722,830	\$4,000,000	\$2,722,830	\$209,400
2022	\$0	\$0	\$0	\$244,400
2023	\$0	\$0	\$0	\$244,845
2024	\$0	\$0	\$0	\$250,303
2025	\$0	\$0	\$0	\$250,520
2026	\$0	\$0	\$0	\$250,752
2027	\$0	\$0	\$0	\$250,999
Total	\$6,722,830	\$4,000,000	\$2,722,830	\$1,701,219

The annual projected costs shown in Table VI-G are the annual expenditures relating to the Authorized Improvements shown in Table III-D, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.4. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

The annual projected costs and annual projected indebtedness for Neighborhood Improvement Area #5A Reimbursement Agreement is shown by Table VI-H on the following page. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table VI-H
Annual Projected Costs and Annual Projected Indebtedness - NIA #5A

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources	NIA #5A Projected Annual Installments
2021	\$10,435,347	\$4,417,000	\$6,018,347	\$234,357
2022	\$0	\$0	\$0	\$245,007
2023	\$0	\$0	\$0	\$245,213
2024	\$0	\$0	\$0	\$245,432
2025	\$0	\$0	\$0	\$245,665
2026	\$0	\$0	\$0	\$245,912
2027	\$0	\$0	\$0	\$246,172
Total	\$10,435,347	\$4,417,000	\$6,018,347	\$1,707,758

The annual projected costs shown in Table VI-H are the annual expenditures relating to the Authorized Improvements shown in Table III-E, the costs associated with creating the PID and costs of issuing the PID Bonds, including reserves shown in Table V-A.5. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

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VII. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #1 is shown on the Neighborhood Improvement Area #1 Assessment Roll, attached as Appendix D, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Area #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, and to cover Administrative Expenses of Neighborhood Improvement Area #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel in Neighborhood Improvement Area #1. The TIRZ Credit for each Parcel shall be as described in Section V.N, and shall be as provided for in Section VII.C below:

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREAS #2-5

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Areas #2-5 are shown on the Neighborhood Improvement Areas #2-5 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, to cover Administrative Expenses of Neighborhood Improvement Areas #2-5.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, NEIGHBORHOOD IMPROVEMENT AREA #4, AND NEIGHBORHOOD IMPROVEMENT AREA #5A

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Areas #2-3 Bonds and to cover Administrative Expenses of Neighborhood Improvement Area #2.

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Areas #2-3 Bonds, and to cover Administrative Expenses of Neighborhood Improvement Area #3.

The 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, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #4 Bonds, and to cover Administrative Expenses of Neighborhood Improvement Area #4.

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #5A are shown on the Neighborhood Improvement Area #5A Assessment Roll, attached as Appendix I, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #5A Reimbursement Agreement, and to cover Administrative Expenses of Neighborhood Improvement Area #5A.

D. TIRZ CREDIT FOR PARCELS LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #1

The Annual Installment for each Parcel in Neighborhood Improvement Area #1 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Area #1 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 4 in the preceding year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020).

E. TIRZ CREDIT FOR PARCELS LOCATED IN NEIGHBORHOOD IMPROVEMENT AREAS #2-5

The Annual Installment for each Parcel in Neighborhood Improvement Areas #2-5 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Areas #2-5 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 8 in the preceding year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020).

F. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE NEIGHBORHOOD IMPROVEMENT AREAS

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Area #5B, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

G. 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 As-Built Assessed Value of the new divided Assessed Property

D = the sum of the As-Built Assessed Value for all of the new divided Assessed Properties

The calculation of the As-Built Assessed 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 Denton County, Texas, and any other relevant source 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 As-Built Assessed Value of all new subdivided Lots with same Lot Type

D = the sum of the estimated As-Built Assessed 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 As-Built Assessed 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.

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.

H. MANDATORY PREPAYMENT OF ASSESSMENTS

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

I. REDUCTION OF 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 Assessments securing such series of PID Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of PID Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.
2. If all the Authorized Improvements are not undertaken, resulting in excess PID Bond proceeds being available to redeem PID Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on 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 Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the 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 Assessments securing the PID Bonds, resulting in excess Bond proceeds, then the City Council may reduce the Assessment securing the PID Bonds for each Assessed Property on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. The 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 Assessment securing the PID Bonds for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The 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.

J. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs. If prepayment in full will result in redemption of PID Bonds, the payment amount shall be reduced from any proceeds from the Debt Service Reserve Fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of PID 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 upon payment.
- (c) Upon payment in full of an Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the related Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."
- (d) At the option of the Parcel owner, the Assessment on any Parcel may be paid in part in an amount equal to the amount of prepaid Assessments plus Prepayment Costs with respect thereto. Upon the payment of such amount 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. The partial Assessment payment will be used to redeem the bonds.

2. Payment of Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Annual Installment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Assessment and Administrative Expenses.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #1 in Appendix D and Neighborhood Improvement Areas #2-5 in Appendix E have been calculated using an interest rate on the Neighborhood Improvement Area #1 Bonds of 7.25% and an interest rate on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds of 8.25%, respectively.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #2 in Appendix F and Neighborhood Improvement Areas #3 in Appendix G have been calculated using an interest rate of 4.125% for the Neighborhood Improvement Area #2-3 Bonds maturing through 2039 and an interest rate of 4.250% for the Neighborhood Improvement Area #2-3 Bonds maturing after 2039.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #4 in Appendix H have been calculated using an estimated interest rate of 4.61% for the Neighborhood Improvement Area #4 Bonds.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #5A in Appendix I have been calculated using an estimated interest rate of 4.57% for the Neighborhood Improvement Area #5A Reimbursement Agreement.

The Annual Installments shall be reduced to equal the actual costs of repaying the 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. If additional Assessments are levied on the Project by the City, the Annual Installments will be adjusted to reflect the changes.

The City reserves and shall have the right and option to refund the PID 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 Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding PID Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding PID Bonds, and such refunding PID Bonds shall constitute "PID Bonds" for purposes of this Service and Assessment Plan.

K. COLLECTION OF ANNUAL INSTALLMENTS

The Administrator shall, no less frequently than annually, prepare and submit to the City Council 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 for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the 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. 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 in the same manner and at the same time as ad valorem taxes. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the 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 Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated each September 1 and assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

Each Annual Installment for the Neighborhood Improvement Area #2 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #2 Improvements, or (ii) September 1, 2019, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #2 Annual Installments. Collection of the Annual Installment for the Neighborhood Improvement Area #2 Assessments commenced as of September 1, 2019.

Each Annual Installment for the Neighborhood Improvement Area #3 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #3 Improvements, or (ii) September 1, 2020, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #3 Annual Installments.] Collection of the Annual Installment for the Neighborhood Improvement Area #3 Assessments commenced with the issuance of the Neighborhood Improvement Areas #2-3 Bonds.

Each Annual Installment for the Neighborhood Improvement Area #4 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #4 Improvements, or (ii) September 1, 2021, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #4 Annual Installments. Collection of the Annual Installment for the Neighborhood Improvement Area #4 Assessments commenced with the issuance of the Neighborhood Improvement Area #4 Bonds.

Each Annual Installment for the Neighborhood Improvement Area #5A Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #5A Improvements, or (ii) September 1, 2021, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #5A Annual Installments.

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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 Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, must send a written notice describing the error to the City no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If an owner fails to give such notice, such owner 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 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 Property owner (except for the final year during which the Annual Installment 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 the 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 Assessment shall terminate on the date the Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the 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.

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, unless stated otherwise herein or in the Indenture, 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 Property 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 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 Service and Assessment Plan are declared to be severable for that purpose. In addition, the amendment and restatement to the Original SAP does not in any way affect the Assessment lien placed on the Assessed Property as part of the levy of Assessments for the Neighborhood Improvement Area #1 Improvements and the Neighborhood Improvement Area's #2-5 Improvements on November 10, 2015, the levy of Assessments for the Neighborhood Improvement Area #2 on August 28, 2018, the levy of Assessments for the Neighborhood Improvement Area #3 on September 10, 2019, the levy of Assessments for the Neighborhood Improvement Area #4 on July 14, 2020 or the initial levy of Assessments for the Neighborhood Improvement Area #5A.

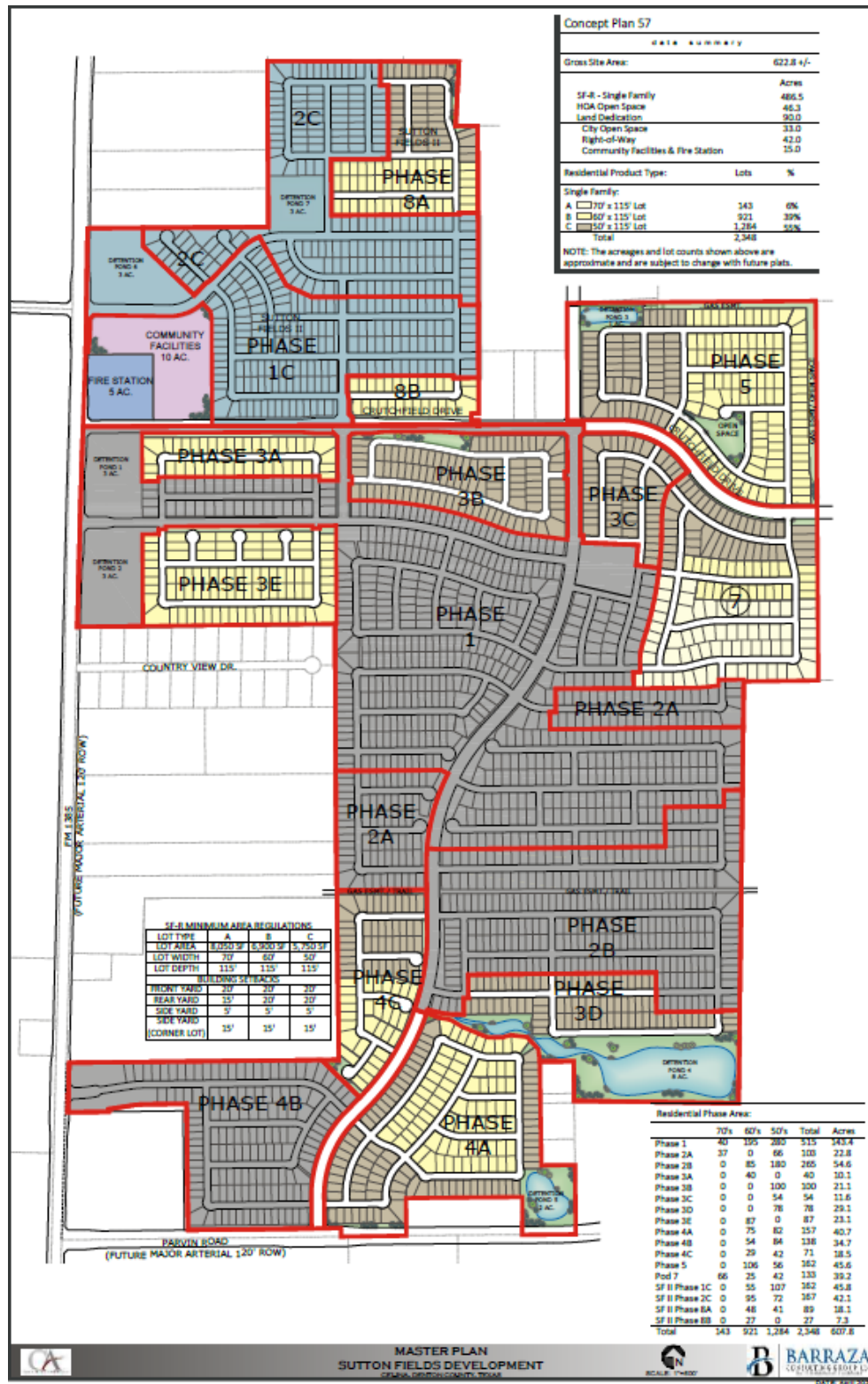
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the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

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APPENDIX A
UPDATED CONCEPT PLAN

APPENDIX A

Updated Concept Plan



APPENDIX B
LEGAL DESCRIPTIONS OF PARCELS

APPENDIX B

Legal Description of Parcels

622.779 ACRE TRACT

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, the Thomas H. McIntyre Survey, Abstract No. 903, the Thomas B. Cox Survey, Abstract No. 309, the Carrol Jackson Survey, Abstract No. 1546, the Jacob Rue Survey, Abstract No. 1109, and the Hiram Rue Survey, Abstract No. 1111, in Denton County, Texas, and being all of that certain tract of land described in deed to Denton County 128 Development LLC recorded in Document No. 2013-135475, of the Real Property Records of Denton County, Texas (RPRDCT), all of that certain tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT, all of those certain tracts of land described in deeds to Mike A. Myers Investment Holdings, L.P. recorded in Document No. 2005-33384, RPRDCT, Document No. 2007-53939 RPRDCT, and Document No. 2005-93340, RPRDCT, all of that certain tract of land described in deed to The Amanda S. Myers Irrevocable Asset Trust recorded in Document No. 2011-125051, RPRDCT, all of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, and part of that certain tract of land described in deed to Frisco Industrial Partners recorded in Document NO. 2008-66233, RPRDCT, and being more particularly described as follows;

BEGINNING at a 1/2 inch capped iron rod found, said iron rod being located on the east right-of-way line of Farm to Market (FM) Road No. 1385 (variable width R.O.W.), and also being the northwest corner of Countryview Addition, an addition to Denton County according to Final Plat recorded in Cabinet F, Page 267, of the Plat Records of Denton County, Texas;

THENCE North 01°28'19" East, with said east right-of-way line of FM No. 1385, a distance of 310.72 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, and a southwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT;

THENCE North 01°22'30" East, continuing with the east right-of-way line of FM No. 1385, a distance of 204.07 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southwest corner of the aforementioned tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT;

THENCE North 01°32'20" East, continuing with the east right-of-way line of FM No. 1385, a distance of 455.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°55'54" East, continuing with the east right-of-way line of FM No. 1385, a distance of 446.59 feet to a 1/2 inch iron rod found for corner at the intersection of the east right-of-way line of FM No. 1385, and the approximate center of Crutchfield Road (undedicated public road), the northwest corner of said Tarsan Corporation tract, and the southwest corner of said Denton County 128 Development LLC tract;

THENCE North 89°43'38" East, continuing with the east right-of-way line of FM No. 1385, a distance of 2.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°41'28" East, continuing with the east right-of-way line of FM No. 1385, a distance of 606.35 feet to a point for corner;

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

THENCE North 00°48'41" East, continuing with the east right-of-way line of FM No. 1385, a distance of 797.78 feet to a 1/2 inch iron rod found for corner at the most westerly northwest corner of said Denton County 128 Development LLC tract;

THENCE North 89°34'28" East, leaving the east right-of-way line of FM No. 1385, and with the north line of said Denton County 128 Development LLC tract, a distance of 1280.69 feet to a 1/2 inch iron rod found for corner;

THENCE North 00°20'50" West, with a west line of said Denton County 128 Development LLC tract, a distance of 546.92 feet to a 5/8 inch iron rod found for corner;

THENCE North 00°25'58" West, with a west line of said Denton County 128 Development LLC tract, a distance of 553.08 feet to a 1/2 inch iron rod found for corner;

THENCE North 00°04'10" East, with a west line of said Denton County 128 Development LLC tract, a distance of 73.78 feet to a 1/2 inch iron rod found for corner at the most northerly northwest corner of said Denton County 128 Development LLC tract, and the most southerly southwest corner of that certain tract of land described in deed to Blue Angus Ranch, LP, recorded in Instrument No. 2007-107216, RPRDCT;

THENCE South 89°46'34" East, with the most northerly north line of said Denton County 128 Development LLC tract, and the most southerly south line of said Blue Angus Ranch, LP tract, a distance of 959.68 feet to a 3/8 inch iron rod found for corner at the most southerly southeasterly corner of said Blue Angus Ranch, LP tract, and a southwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2004-135532, RPRDCT;

THENCE South 89°47'07" East, continuing with the most northerly north line of said Denton County 128 Development LLC tract, and with a south line of said Fashand Farm, Ltd. tract, a distance of 395.15 feet to a 1/2 inch iron rod found for corner;

THENCE South 02°54'24" West, with an east line of said Denton County 128 Development LLC tract, and a west line of said Fashand Farm, Ltd. tract, a distance of 454.69 feet to a 1/2 inch iron rod found for corner;

THENCE North 89°30'36" East, with a north line of said Denton County 128 Development LLC tract, and a south line of said Fashand Farm, Ltd. tract, a distance of 156.62 feet to 1/2 inch iron rod found for corner located at a northeast corner of said Denton County 128 Development LLC tract, a southwest corner of said Fashand Farm, Ltd. tract, and also being the northwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2005-21653, RPRDCT;

THENCE South 00°08'58" East, with the most easterly east line of said Denton County 128 Development LLC tract, the west line of said Fashand Farm, Ltd. tract recorded in Document No. 2005-21653, RPRDCT, and the west line of that certain tract of land described in deed to Jan M. Paliwoda and Margaret Paliwoda recorded in Volume 4364, Page 1631, RPRDCT, a distance of 2034.69 feet to a 1/2 inch iron rod found for corner located at the northeast corner of that certain tract of land described in deed to SBA Towers IV, LLC recorded in Document No.

2013-94302, RPRDCT;

THENCE South 89°15'21" West, with the north line of said SBA Towers IV, LLC tract, a distance of 50.31 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°56'04" East, with the west line of said SBA Towers IV, LLC tract, a distance of 50.03 feet to a 1/2 inch iron rod found for corner;

THENCE North 89°12'39" East, with the south line of said SBA Towers IV, LLC tract, a distance of 49.92 feet to a 1/2 inch iron rod found for corner located on said most easterly east line of said

Denton County 128 Development LLC tract, and the west line of said Jan M. Paliwoda and Margaret Paliwoda tract;

THENCE South 01°18'28" East, with said most easterly east line of said Denton County 128 Development LLC tract, and the west line of the Jan M. Paliwoda and Margaret Paliwoda tract, a distance of 31.08 feet to a 1/2 inch iron rod found for corner located on said approximate center of Crutchfield Road, and being the southeast corner of said Denton County 128 Development LLC tract;

THENCE North 89°43'38" East, with said approximate center of Crutchfield Road, the north line of said Tarsan tract, and the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005- 33384, RPRDCT, a distance of 627.96 feet to a railroad spike found for corner at the northeast corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT;

THENCE North 00°08'37" West, continuing with the approximate center of Crutchfield Road, and with the west line of the aforementioned Amanda S. Myers Irrevocable Asset Trust tract, a distance of 858.91 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Amanda S. Myers Irrevocable Asset Trust tract, and the southwest corner of said Fashand Farm, Ltd. tract recorded in Document No. 2004-135532, RPRDCT;

THENCE North 89°30'51" East, continuing with the approximate center of Crutchfield Road, and with the north line of the Amanda S. Myers Irrevocable Asset Trust tract, a distance of 1759.29 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°23'19" East, with the east line of the Amanda S. Myers Irrevocable Asset Trust tract, and the west line of that certain tract of land described in deed to Smiley Road, Ltd. recorded in Document No. 2006-2064, RPRDCT, a distance of 2685.16 feet to a 5/8 inch iron rod found for corner;

THENCE South 89°13'31" West, with a line described in Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 527.69 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°41'45" West, with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 2985.21 feet to a 60d nail found in asphalt for corner, said nail being located in the approximate center of Parvin Road (undedicated public road);

THENCE North 89°11'44" West, with said approximate center of Parvin Road, and with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 1163.46 feet to a 3/8 inch iron rod found for corner;

THENCE North 00°42'55" West, leaving the approximate center of Parvin Road and with the west line of the Amanda S. Myers Irrevocable Asset Trust tract, the east line of that certain tract of land described in deed to Donald K. Estep and Sonja K. Estep recorded in Document No. 2011-67774, RPRDCT, and that certain tract of land described in deed to Donald Kenny Estep and Sonja Kay Estep recorded in Document No. 2001-99806, RPRDCT, a distance of 280.30 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°32'42" West, with a south line of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, a distance of 239.66 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 00°49'27" East, with an easterly line of said Kim Family Living Trust tract, the west line of said Estep tracts, and the west line of that certain tract of land described in deed to

Claude Adams and Kathleen Adams recorded in Document No. 2011-67775, RPRDCT, and the west line of that certain tract of land described in deed to David P. Brewer and Carolyn Brewer recorded in Document No. 2012-34990, RPRDCT, a distance of 734.88 feet to a 1/2 inch iron rod found for corner at the southwest corner of said Brewer tract, and an interior "ell" corner of the Kim Family Living Trust tract;

THENCE North 89°20'27" East, a distance of 238.85 feet to a 1/2 inch iron rod found for corner, said iron rod being located at the southeast corner of the Brewer tract, a northeast corner of the Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 00°32'10" East, with an easterly line of the Kim Family Living Trust tract, and said approximate center of Parvin Road, a distance of 490.79 feet to a 1/2 inch iron rod found for corner at the most southerly southeast corner of the Kim Family Living Trust tract;

THENCE South 89°26'22" West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, a distance of 378.96 feet to a nail in asphalt found for corner;

THENCE North 00°17'53" East, leaving the approximate center of Parvin Road, and with a west line of the Kim Family Living Trust tract, and the east line of that certain tract of land described in deed to John M. Cospier and Jackie Cospier recorded in Volume 626, Page 706, RPRDCT, passing at a distance of 27.73 feet a 5/8 inch iron rod in concrete found, continuing in all, a distance of 267.98 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, from which a 5/8 inch iron rod in concrete found bears South 00°17'53" West, a distance of 2.99 feet;

THENCE South 89°25'59" West, with a south line of the Kim Family Living Trust tract, and the north line of the Cospier tract, a distance of 824.19 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°39'57" East, with the west line of the Cospier tract, and an easterly line of the Kim Family Living Trust tract, passing at a distance of 244.64 feet a 1/2 inch iron rod found, continuing in all, a distance of 265.80 feet to a 1/2 inch iron rod found for corner at a southeast corner of Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 89°09'41" West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, passing at a distance of 411.81 feet a 1/2 inch iron rod found at the northeast corner of that certain tract of land described in deed to Swisher Partners, L.P. recorded in Document No. 2004-7927, RPRDCT, continuing in all, a distance of 462.41 feet to a 1/2 inch iron rod found for corner at the southeast corner of that certain tract of land described in deed to the City of Celina, Texas recorded in Document No. 2008-62468, RPRDCT;

THENCE North 00°41'57" West, with the east line of said City of Celina, Texas tract, a distance of 60.00 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°18'56" West, with a north line of the City of Celina, Texas tract, and Parvin Road, a distance of 1107.30 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 00°41'04" West, leaving said north line of Parvin Road, a distance of 843.46 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°18'56" West, a distance of 815.06 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, said iron rod being located on an easterly line of said City of Celina, Texas tract, and the aforementioned east right-of-way line of FM No. 1385;

THENCE North 01°32'26" East, with said east right-of-way line of FM No. 1385 according to City of Celina, Texas tract deed, a distance of 350.05 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 89°22'47" East, leaving the east right-of-way line of FM No. 1385, and with the north line of the aforementioned tract of land described in deed to Frisco Industrial Partners recorded in Document No. 2008-66233, RPRDCT, and the south line of that certain tract of land described in deed to Anna Liz Hong recorded in Document No. 2014-15601, RPRDCT, a distance of 1908.52 feet to a 5/8 inch iron rod with plastic cap marked "PETITTRPLS 4087" set for corner;

THENCE North 00°41'47" West, with the east line of said Anna Liz Hong tract, and the most westerly line of the aforementioned Kim Family Living Trust tract, a distance of 1546.84 feet to an old wood corner post found for corner, from which a 5/8 inch iron rod found bears South 16°28'53" West, a distance of 1.57 feet;

THENCE North 00°24'23" West, with the west line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, passing at a distance of 479.75 feet a 5/8 inch iron rod found at the southeast corner of that certain tract of land described in deed to Lee A. Brown recorded in Document No. 2003-122624, RPRDCT, continuing with said west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Lee A. Brown tract, in all, a total distance of 951.64 feet to a 5/8 inch iron rod found for corner at the southeast corner of the aforementioned Countryview Addition;

THENCE North 00°07'02" West, continuing with the west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Countryview Addition, a distance of 588.61 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, from which a 1/2 inch iron rod found bears South 89°26'31" West, a distance of 1.51 feet;

THENCE South 89°18'14" West, with the south line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340, RPRDCT, a distance of 1301.63 feet to a 1/2 inch iron rod found for corner at the most southerly southwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southeast corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT;

THENCE South 89°15'45" West, with the south line of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, a distance of 522.72 feet to the POINT OF BEGINNING of herein described tract of land containing an area of 622.779 acres of land.

Note: This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

SUTTON FIELDS PHASE 2A
22.782 ACRES

TRACT 1

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT 1 IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE SOUTHWEST CORNER OF LOT 2, BLOCK N, OF SUTTON FIELDS PHASE 1A, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-395, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED IN THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO LEE A. BROWN RECORDED IN DOCUMENT NUMBER 2003-122624 RPRDCT, ALSO BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NUMBER 2015-15963 RPRDCT;

THENCE NORTH 89°18'13" EAST WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, A DISTANCE OF 129.75 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD ALSO BEING LOCATED IN THE WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE SOUTH 00°41'47" EAST, CONTINUING WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, AND SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, A DISTANCE OF 5.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 89°18'13" EAST, DEPARTING SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, AND CONTINUING WITH THE SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 619.40 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE SOUTH 63°21'49" EAST, CONTINUING WITH SAID SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 51.22 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING LOCATED IN THE WESTERLY RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, SAID RIGHT-OF-WAY ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT

RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, WITH SAID WEST RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF $21^{\circ}57'17''$, A RADIUS OF 1445.00 FEET, A CHORD THAT BEARS SOUTH $15^{\circ}39'33''$ WEST, A DISTANCE OF 550.31 FEET, FOR AN ARC DISTANCE OF 553.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD ALSO BEING A SOUTHWEST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1;

THENCE SOUTH $85^{\circ}19'22''$ EAST, WITH THE SOUTH LINE OF THE BOTHWELL BOULEVARD DEDICATION ACCORDING TO SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, A DISTANCE OF 90.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING A SOUTHEAST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-478, PRDCT, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF $05^{\circ}22'43''$, A RADIUS OF 1355.00 FEET, A CHORD THAT BEARS SOUTH $01^{\circ}59'34''$ WEST, A DISTANCE OF 127.16 FEET, FOR AN ARC DISTANCE OF 127.20 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER:

SOUTH $00^{\circ}41'47''$ EAST, A DISTANCE OF 177.23 FEET;

SOUTH $89^{\circ}43'30''$ WEST, A DISTANCE OF 90.00 FEET;

NORTH $00^{\circ}41'47''$ WEST, A DISTANCE OF 20.00 FEET;

AND SOUTH $89^{\circ}43'30''$ WEST, A DISTANCE OF 635.87 FEET, SAID IRON ROD BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT II IN DEED TO TIMOTHY DAN CHESNEY AND MARGIE BETH CHESNEY RECORDED IN DOCUMENT NUMBER 94-R0036277, RPRDCT;

THENCE NORTH 00°41'47" WEST, WITH THE COMMON LINE OF SAID CADG SUTTON FIELDS, LLC AND SAID CHESNEY TRACT RECORDED IN DOCUMENT NUMBER 94-R0036277 RPRDCT, AND THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO TIM CHESNEY AND MARGIE BETH CHESNEY RECORDED IN VOLUME 1209, PAGE 434, RPRDCT, A DISTANCE OF 344.97 FEET TO AN OLD WOOD CORNER POST FOUND FOR CORNER AT THE NORTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, A SOUTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JENNIFER S. DAHL AND RICHARD A. DAHL, RECORDED IN DOCUMENT NUMBER 2006-1961 RPRDCT, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS SOUTH 16°28'53" WEST, A DISTANCE OF 1.57 FEET;

THENCE NORTH 00°24'23" WEST, WITH A WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE EAST LINE OF SAID DAHL TRACT, A DISTANCE OF 498.94 TO THE POINT OF BEGINNING, AND CONTAINING 13.792 ACRES OF LAND.

TRACT 2

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, AND THE THOMAS B. COX SURVEY, ABSTRACT NUMBER 309, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THOSE CERTAIN TRACTS OF LAND DESCRIBED AS TRACT 1, AND TRACT 4, IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF LOT 5, BLOCK R, OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-478, OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 89°18'13" WEST, WITH A NORTH LINE OF SAID SUTTON FIELDS PHASE 1B, A DISTANCE OF 1367.16 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER, SAID IRON ROD BEING THE SOUTHEAST CORNER OF LOT 55, BLOCK R, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 00°23'16" WEST, WITH THE EAST LINE OF SAID LOT 55, BLOCK R, A DISTANCE OF 121.55 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF SAID LOT 55, BLOCK R,

ALSO BEING LOCATED IN THE SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE NORTH 89°36'44" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET, A DISTANCE OF 41.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 00°23'16" WEST, DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 165.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF LOT 11, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B, SAID IRON ROD ALSO BEING LOCATED IN THE SOUTH LINE OF LOT 8, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 89°36'44" EAST, WITH THE SOUTH LINE OF SAID BLOCK SSSS, PASSING AT A DISTANCE OF 552.07 FEET A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND AT A SOUTHEAST CORNER OF SAID SUTTON FIELDS PHASE 1B, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, IN ALL, A TOTAL DISTANCE OF 1001.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER:

NORTH 84°18'02" EAST, A DISTANCE OF 152.84 FEET;

NORTH 00°23'16" WEST, A DISTANCE OF 41.64 FEET;

AND NORTH 89°36'44" EAST, A DISTANCE OF 178.60 FEET;

THENCE SOUTH 00°41'45" WEST, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, PASSING AT A DISTANCE OF 12.21 FEET A 1/2-INCH IRON ROD FOUND AT AN INTERIOR "ELL" CORNER OF SAID TRACT 4, CONTINUING WITH SAID LINE DESCRIBED IN BOUNDARY LINE AGREEMENT, IN ALL, A TOTAL DISTANCE OF 335.04 FEET TO THE POINT OF BEGINNING, AND CONTAINING 8.990 ACRES OF LAND.

CONTAINING IN ALL (TRACT 1 AND TRACT 2), A TOTAL OF 22.782 ACRES OF LAND.

SUTTON FIELDS PHASE 2B
54.573 ACRES

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, AND THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, IN DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-30387, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF TRACT 1 AND TRACT 4 IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-15963, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NUMBER 2017-478, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION FOR BOTHWELL BOULEVARD ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT;

THENCE WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1B, THE FOLLOWING BEARINGS AND DISTANCES TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT-RPLS 4087" FOUND FOR CORNER:

NORTH 89°18'14" EAST, A DISTANCE OF 1596.19 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 280.00 FEET;

NORTH 89°18'13" EAST, A DISTANCE OF 420.00 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 105.00 FEET;

NORTH 44°18'13" EAST, A DISTANCE OF 14.14 FEET;

AND NORTH 89°18'13" EAST, A DISTANCE OF 120.62 FEET, SAID IRON ROD BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 00°41'45" WEST, WITH SAID BOUNDARY AGREEMENT LINE, A DISTANCE OF 1560.41 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE, DEPARTING THE WEST LINE OF SAID BOUNDARY AGREEMENT LINE, AND OVER AND ACROSS SAID CADG SUTTON FIELDS TRACTS, THE FOLLOWING

COURSES AND DISTANCES TO 5/8-INCH IRON RODS WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER:

SOUTH 89°18'13” WEST, A DISTANCE OF 128.64 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 25.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 410.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 280.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 710.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 570.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

NORTH 89°18'13” EAST, A DISTANCE OF 20.50 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 50.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 53.99 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

SOUTH 89°40'23” WEST, A DISTANCE OF 53.81 FEET;

NORTH 86°04'38” WEST, A DISTANCE OF 61.02 FEET;

NORTH 80°36'44” WEST, A DISTANCE OF 61.02 FEET;

NORTH 76°42'01” WEST, A DISTANCE OF 83.14 FEET;

NORTH 71°56'34" WEST, A DISTANCE OF 90.00 FEET, SAID IRON ROD ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE TO THE LEFT, WHICH HAS A
CENTRL ANGLE
OF 18°45'13", A RADIUS OF 1655.00 FEET, A CHORD THAT BEARS
NORTH 08°40'49" EAST, A DISTANCE OF 539.29 FEET, AND AN ARC
DISTANCE OF 541.70 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 77.93 FEET;

SOUTH 89°18'13" WEST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°18'13" EAST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 141.37 FEET;

NORTH 89°43'30" EAST, A DISTANCE OF 90.00 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 177.23 FEET, SAID IRON ROD
ALSO
BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

AND NORTHEASTERLY, WITH SAID CURVE TO THE RIGHT, WHICH
HAS A CENTRAL ANGLE OF 05°22'42", A RADIUS OF 1355.00 FEET, A
CHORD THAT BEARS NORTH 01°59'34" EAST, A DISTANCE OF 127.15
FEET, AND AN ARC DISTANCE OF 127.20 FEET TO THE POINT OF
BEGINNING, AND CONTAINING 54.573 ACRES OF LAND.

SUTTON FIELDS NORTH PHASE 2C

WHEREAS CADG Sutton Fields II, LLC is the owner of that certain tract of land situated in the Thomas H. McIntyre Survey, Abstract Number 903, in Denton County, Texas, according to deed recorded in Document Number 2015-128856, Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northeast corner of Lot 10X, Block L, according to the Final Plat of Sutton Fields North Phase 1, an addition to the City of Celina, Denton County, Texas, recorded in Document Number 2018-334, of the Plat Records of Denton County, Texas (PRDCT), from which a 1/2-inch iron rod found on the east right-of-way line of Farm to Market Road Number 1385 (variable width R.O.W.) bears South 89°33'57" West, a distance of 393.66 feet;

THENCE North 89°33'57" East, with the common north line of said CADG Sutton Fields II, LLC tract, and the south line of that certain tract of land described in deed to Munish Gupta and Anusha Gupta, recorded in Document Number 2013-84112, RPRDCT, a distance of 887.32 feet to a 1/2-inch iron rod found for corner at the southeast corner of said Gupta tract;

THENCE North 00°21'49" West, with the we line of said CADG tract, a distance of 547.19 feet to a 5/8-inch iron rod with cap marked "J-E #3700) found for corner at the southeast corner of that certain tract of land described in deed to Jeff Hammer, recorded in Volume 2156, Page 762, RPRDCT;

THENCE North 00°25'32" West, with the common line of said CADG tract and Hammer tract, a distance of 553.05 feet to a 1/2-inch iron rod found for corner at the southeast corner of that certain tract of land described in deed to SS Group LLC, recorded in Document Number 2016-42707, RPRDCT;

THENCE North 00°02'29" East, with the common line of said CADG tract and said SS Group LLC tract, a distance of 73.81 feet to a 1/2-inch iron rod found for corner at the northwest corner of said CADG tract and the southwest corner of that certain tract of land described in deed to Blue Angus Ranch LP, recorded in Instrument Number 2007-107216, RPRDCT;

THENCE South 89°46'58" East, with the common line of said CADG tract and said Blue Angus Ranch LP tract, a distance of 796.76 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" set for corner, from which a 3/8-inch iron rod found at the southeast corner of said Blue Angus Ranch LP tract bears South 89°47'08" East, a distance of 163.00 feet;

THENCE leaving said common line, over and across said CADG tract the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" set for corner:

South 00°18'36" East, a distance of 119.09 feet;

North 89°41'24" East, a distance of 85.00 feet;

South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 30.00 feet;
 South 00°18'36" East, a distance of 470.00 feet;
 North 89°41'24" East, a distance of 30.00 feet;
 South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 419.92 feet;
 South 44°41'24" West, a distance of 21.21 feet;
 South 00°18'36" East, a distance of 200.00 feet;
 South 45°18'36" East, a distance of 21.21 feet;
 North 89°41'24" East, a distance of 15.00 feet;
 South 00°18'36" East, a distance of 50.00 feet;
 South 89°41'24" West, a distance of 15.00 feet;
 South 44°41'24" West, a distance of 21.21 feet;
 South 00°18'36" East, a distance of 100.00 feet;
 North 89°41'24" East, a distance of 860.00 feet;
 North 00°18'36" West, a distance of 40.00 feet;
 North 89°41'24" East, a distance of 50.00 feet;
 South 00°18'36" East, a distance of 30.00 feet;

And North 89°41'24" East, a distance of 127.68 feet, said iron rod located on the common line of said CADG tract and that certain tract of land described in deed to Fashand Farm LTD., recorded in Document Number 2005-21653, RPRDCT;

THENCE South 00°09'07" East, with said common line, a distance of 653.00 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northeast corner of Lot 5, Block K, according to said Final Plat of Sutton Fields North Phase 1;

THENCE with the north line of said Sutton Fields North Phase 1, the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" found for corner:

South 89°41'24" West, a distance of 129.41 feet;

North 00°18'36" West, a distance of 83.00 feet;

South 89°41'24" West, a distance of 50.00 feet;

South 00°18'36" East, a distance of 20.00 feet;

South 89°41'24" West, a distance of 751.31 feet;

North 00°18'36" West, a distance of 20.00 feet;

South 89°41'24" West, a distance of 60.00 feet;

South 00°18'36" East, a distance of 20.00 feet;

South 89°41'24" West, a distance of 186.72 feet;

North 65°23'52" West, a distance of 197.00 feet;

And North 29°10'28" West, a distance of 333.82 feet, said iron rod located on the south right-of-way line of Bonar Road (called 60-foot wide R.O.W. at this point), and located at the beginning of a non-tangent curve to the right;

THENCE Northeasterly, with said curve which has a central angle of 2°16'34", a radius of 370.00 feet, a chord that bears North 69°47'08" East, a distance of 14.70 feet, and an arc length of 14.70 to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the easternmost corner of said Bonar Road right-of-way dedication;

THENCE North 19°04'35" West, with the east line of said Bonar Road right-of-way dedication, a distance of 60.00 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner at the northernmost corner of said Bonar Road right-of-way dedication, and at the beginning of a non-tangent curve to the left;

THENCE Southwesterly, with the north right-of-way line of said Bonar Road and said curve which has a central angle of 24°57'49", a radius of 430.00 feet, a chord that bears South 58°26'30" West, a distance of 185.87 feet, and an arc length of 187.35 feet to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE continuing with the north right-of-way line of said Bonar Road, the following courses to 5/8-inch iron rods with cap marked "PETITT RPLS 4087" found for corner:

South 89°19'36" West, a distance of 21.45 feet;

North 46°18'23" West, a distance of 5.00 feet;

South 43°41'40" West, a distance of 50.00 feet;

South 46°18'23" East, a distance of 5.00 feet;

South 01°18'23" East, a distance of 21.22 feet;

South 43°41'40" West, a distance of 200.00 feet;

South 88°41'37" West, a distance of 21.21 feet;

North 46°18'23" West, a distance of 15.00 feet;

South 43°41'40" West, a distance of 50.00 feet;

South 46°18'23" East, a distance of 5.00 feet;

South 43°41'37" West, a distance of 82.73 feet, said iron rod located at the beginning of a tangent curve to the right;

And Southwesterly, with said curve which has a central angle of 4°02'44", a radius of 260.00 feet, a chord that bears South 45°42'58" West, a distance of 18.35 feet, and an arc length of 18.36 feet to the end of said curve, said point located at the southeast corner of said Lot 10X, Block L;

THENCE North 42°15'40" West, leaving said north right-of-way line, with the east line of said Lot 10X, a distance of 15.21 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 46°18'23" West, continuing with said east line, a distance of 485.24 feet to a 5/8-inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 00°12'44" West, continuing with said east line, a distance of 130.31 feet to the POINT OF BEGINNING of herein described tract and containing an area of 42.114 acres of land.

SUTTON FIELDS NORTH PHASE 4

34.245 ACRE TRACT

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, in Denton County, Texas, and being part of that certain tract of land described in deed to Frisco Industrial Partners recorded in Document NO. 2008-66233, Real Property Records, Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, and being more particularly described as follows;

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found, said iron rod being located on the east right-of-way line of Farm to Market (FM) Road No. 1385 (variable width R.O.W.), and being a northeast corner of that certain tract of land described in deed to the City of Celina, Texas recorded in Document No. 2008-62468 (RPRDCT);

THENCE North 89°22'47" East, leaving the east right-of-way line of FM Road No. 1385, and with the north line of said Frisco Industrial Partners tract, and the south line of that certain tract of land described in deed to Anna Liz Hong, recorded in Document No. 2014-15601 (RPRDCT), a distance of 1786.40 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, from which a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found at the northeast corner of said Frisco Industrial Partners tract bears North 89°22'47" East, a distance of 122.12 feet;

THENCE South 45°38'57" East, leaving the common line of said Frisco Industrial Partners tract and Anna Liz Hong tract, a distance of 378.83 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 44°21'03" West, a distance of 146.76 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner, said iron rod being the beginning of a tangent curve to the left;

THENCE Southwesterly with said curve to the left, which has a central angle of 45°04'06", a radius of 845.00 feet, a chord which bears South 21°49'00" West for 647.67 feet, and an arc distance of 664.67 feet to the end of said curve, a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 00°43'03" East, a distance of 221.13 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner, said iron rod being located in the north line of said City of Celina, Texas tract recorded in Document No. 2008-62468 (RPRDCT);

THENCE South 89°18'56" West, with a north line of said City of Celina, Texas tract (Parvin Road), a distance of 901.06 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, said iron rod being a southwest corner of that certain tract of land described in deed to CADG Sutton Fields, LLC recorded in Document No. 2015-30204, RPRDCT;

THENCE North 00°41'04" West, leaving said north line of the City of Celina, Texas tract, and with a west line of said CADG Sutton Fields, LLC tract, a distance of 843.46 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°18'56" West, with a south line of said CADG Sutton Fields, LLC tract, a distance of 815.06 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner, said iron rod being located on an easterly line of said City of Celina, Texas tract, and said east right-of-way line of FM No. 1385;

THENCE North 01°32'26" East, with said east right-of-way line of FM No. 1385 according to City of Celina, Texas tract deed, a distance of 350.05 feet to the POINT OF BEGINNING, and containing 34.245 acres of land.

APPENDIX C
ASSESSMENT PER UNIT

APPENDIX C
Assessment Per Unit

The Assessment per Unit for NIA #1, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-1 below.

Table C-1
Assessment Per Unit – NIA #1

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (Per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit
A	70	40	\$14,700,000	9.05%	\$1,046,634	\$26,166
B	60	195	\$63,940,500	39.38%	\$4,552,537	\$23,346
C	50	280	\$83,720,000	51.56%	\$5,960,829	\$21,289
Total		515	\$162,360,500		\$11,560,000	

The Assessment per Unit for NIA #2, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-2 below.

Table C-2
Assessment Per Unit – NIA #2

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #2	Assessment per Unit - NIA #2-5^(a)	Combined Assessment per Unit - NIA #2
A	70	-	-	-	-	-	-	-
B	60	55	\$18,034,500	36.05%	\$686,737	\$12,486	\$9,929	\$22,415
C	50	107	\$31,993,000	63.95%	\$1,218,263	\$11,386	\$9,929	\$21,315
Total		162	\$50,027,500		\$1,905,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #3, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-3 on the following page.

Table C-3
Assessment Per Unit – NIA #3

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #2	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #3
A	70	37	\$13,597,500	11.82%	\$526,059	\$14,218	\$9,929	\$24,147
B	60	85	\$27,871,500	24.23%	\$1,078,290	\$12,686	\$9,929	\$22,615
C	50	246	\$73,554,000	63.95%	\$2,845,651	\$11,568	\$9,929	\$21,497
Total		368	\$115,023,000		\$4,450,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #4, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-4 below.

Table C-4
Assessment Per Unit – NIA #4

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #2	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #2
A	70	-	-	-	-	-	-	-
B	60	149	\$48,857,100	51.16%	\$2,046,347	\$13,734	\$9,929	\$23,663
C	50	156	\$46,644,000	48.84%	\$1,953,653	\$12,523	\$9,929	\$22,452
Total		305	\$95,501,100		\$4,000,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

The Assessment per Unit for NIA #5A, as calculated using the estimated buildout values described in the Original SAP are shown in Table C-5 below.

Table C-5
Assessment Per Unit – NIA #5A

Lot Type	Lot Size	No. of Units	Total Estimated Buildout Value (per Original SAP)	% of Total Buildout Value	Total Assessments Allocated	Assessment per Unit - NIA #2	Assessment per Unit - NIA #2-5 ^(a)	Combined Assessment per Unit - NIA #2
A	70	-	-	-	-	-	-	-
B	60	127	\$41,643,300	37.51%	\$1,656,935	\$13,047	\$9,929	\$22,976
C	50	232	\$69,368,000	62.49%	\$2,760,065	\$11,897	\$9,929	\$21,826
Total		359	\$111,011,300		\$4,417,000			

^(a) Represents initial Assessment per Unit per the Original SAP.

APPENDIX D
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Appendix D
Neighborhood Improvement Area #1 Assessment Roll

**Parcel(s)
Assessment**

**Various
\$11,560,000**

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
9/1/2016	\$0	\$609,951	\$609,951	\$30,000	\$23,120	\$34,680	\$0	(\$609,951)	\$87,8
9/1/2017	\$0	\$838,100	\$838,100	\$30,600	\$23,120	\$34,680	\$0	(\$838,100)	\$88,4
9/1/2018	\$140,000	\$838,100	\$978,100	\$61,212	\$23,120	\$34,680	\$0	\$0	\$1,097,1
9/1/2019	\$150,000	\$827,950	\$977,950	\$62,436	\$22,840	\$34,260	\$0	\$0	\$1,097,4
9/1/2020	\$160,000	\$817,075	\$977,075	\$63,685	\$22,540	\$33,810	\$0	\$0	\$1,097,1
9/1/2021	\$170,000	\$805,475	\$975,475	\$64,959	\$22,220	\$33,330	\$0	\$0	\$1,095,9
9/1/2022	\$180,000	\$793,150	\$973,150	\$66,258	\$21,880	\$32,820	\$0	\$0	\$1,094,1
9/1/2023	\$195,000	\$780,100	\$975,100	\$67,583	\$2,560	\$51,240	\$0	\$0	\$1,096,4
9/1/2024	\$210,000	\$765,963	\$975,963	\$68,935	\$0	\$52,825	\$0	\$0	\$1,097,7
9/1/2025	\$225,000	\$750,738	\$975,738	\$70,313	\$0	\$51,775	\$0	\$0	\$1,097,8
9/1/2026	\$240,000	\$734,425	\$974,425	\$71,720	\$0	\$11,100	\$0	\$0	\$1,057,2
9/1/2027	\$260,000	\$717,025	\$977,025	\$73,154	\$0	\$0	\$0	\$0	\$1,050,1
9/1/2028	\$275,000	\$698,175	\$973,175	\$74,617	\$0	\$0	\$0	\$0	\$1,047,7
9/1/2029	\$295,000	\$678,238	\$973,238	\$76,109	\$0	\$0	\$0	\$0	\$1,049,3
9/1/2030	\$320,000	\$656,850	\$976,850	\$77,632	\$0	\$0	\$0	\$0	\$1,054,4
9/1/2031	\$340,000	\$633,650	\$973,650	\$79,184	\$0	\$0	\$0	\$0	\$1,052,8
9/1/2032	\$365,000	\$609,000	\$974,000	\$80,768	\$0	\$0	\$0	\$0	\$1,054,7
9/1/2033	\$395,000	\$582,538	\$977,538	\$82,383	\$0	\$0	\$0	\$0	\$1,059,9
9/1/2034	\$420,000	\$553,900	\$973,900	\$84,031	\$0	\$0	\$0	\$0	\$1,057,9
9/1/2035	\$450,000	\$523,450	\$973,450	\$85,712	\$0	\$0	\$0	\$0	\$1,059,1
9/1/2036	\$485,000	\$490,825	\$975,825	\$87,426	\$0	\$0	\$0	\$0	\$1,063,2
9/1/2037	\$520,000	\$455,663	\$975,663	\$89,174	\$0	\$0	\$0	\$0	\$1,064,8
9/1/2038	\$555,000	\$417,963	\$972,963	\$90,958	\$0	\$0	\$0	\$0	\$1,063,9
9/1/2039	\$600,000	\$377,725	\$977,725	\$92,777	\$0	\$0	\$0	\$0	\$1,070,5
9/1/2040	\$640,000	\$334,225	\$974,225	\$94,633	\$0	\$0	\$0	\$0	\$1,068,8
9/1/2041	\$685,000	\$287,825	\$972,825	\$96,525	\$0	\$0	\$0	\$0	\$1,069,3
9/1/2042	\$735,000	\$238,163	\$973,163	\$98,456	\$0	\$0	\$0	\$0	\$1,071,6
9/1/2043	\$790,000	\$184,875	\$974,875	\$100,425	\$0	\$0	\$0	\$0	\$1,075,3
9/1/2044	\$850,000	\$127,600	\$977,600	\$102,433	\$0	\$0	\$0	\$0	\$1,080,0
9/1/2045	\$910,000	\$65,975	\$975,975	\$104,482	\$0	\$0	(\$978,100)	\$0	\$102,3
Totals	\$11,560,000	\$17,194,688	\$28,754,688	\$2,328,580	\$161,400	\$405,200	(\$978,100)	(\$1,448,051)	\$29,223,7

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 7.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX E
NEIGHBORHOOD IMPROVEMENT AREAS #2-5 ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Appendix E
Neighborhood Improvement Areas #2-5 Assessment Roll

**Parcel(s)
Assessment**

**Various
\$16,825,000**

Year (a)	Principal	Interest (b)	Total Debt Service	Admin Expenses (c)	Prepayment Reserve	Delinquency Reserve	Transfer to DSRF	Less: DSRF Credit	Less: Capitalized Interest	Ann Install	
9/1/2016	\$0	\$1,010,201	\$1,010,201	\$30,000	\$0	\$0	\$84,125	\$0	(\$1,010,201)	\$11	5
9/1/2017	\$0	\$1,388,063	\$1,388,063	\$30,600	\$0	\$0	\$84,125	\$0	(\$1,388,063)	\$11	5
9/1/2018	\$0	\$1,388,063	\$1,388,063	\$31,212	\$0	\$0	\$84,125	\$0	\$0	\$1,50	0
9/1/2019	\$295,000	\$1,388,063	\$1,683,063	\$31,836	\$33,650	\$50,475	\$0	\$0	\$0	\$1,79	4
9/1/2020	\$320,000	\$1,363,725	\$1,683,725	\$32,473	\$33,060	\$49,590	\$0	\$0	\$0	\$1,79	8
9/1/2021	\$345,000	\$1,337,325	\$1,682,325	\$33,122	\$32,420	\$48,630	\$0	\$0	\$0	\$1,79	7
9/1/2022	\$375,000	\$1,308,863	\$1,683,863	\$33,785	\$31,730	\$47,595	\$0	\$0	\$0	\$1,79	3
9/1/2023	\$405,000	\$1,277,925	\$1,682,925	\$34,461	\$30,980	\$46,470	\$0	\$0	\$0	\$1,79	6
9/1/2024	\$435,000	\$1,244,513	\$1,679,513	\$35,150	\$30,170	\$45,255	\$0	\$0	\$0	\$1,79	8
9/1/2025	\$475,000	\$1,208,625	\$1,683,625	\$35,853	\$29,300	\$43,950	\$0	\$0	\$0	\$1,79	8
9/1/2026	\$510,000	\$1,169,438	\$1,679,438	\$36,570	\$28,350	\$42,525	\$0	\$0	\$0	\$1,78	3
9/1/2027	\$555,000	\$1,127,363	\$1,682,363	\$37,301	\$2,715	\$65,610	\$0	\$0	\$0	\$1,78	9
9/1/2028	\$600,000	\$1,081,575	\$1,681,575	\$38,047	\$0	\$65,550	\$0	\$0	\$0	\$1,78	2
9/1/2029	\$650,000	\$1,032,075	\$1,682,075	\$38,808	\$0	\$62,550	\$0	\$0	\$0	\$1,78	3
9/1/2030	\$705,000	\$978,450	\$1,683,450	\$39,584	\$0	\$59,300	\$0	\$0	\$0	\$1,78	4
9/1/2031	\$760,000	\$920,288	\$1,680,288	\$40,376	\$0	\$45,500	\$0	\$0	\$0	\$1,76	4
9/1/2032	\$825,000	\$857,588	\$1,682,588	\$41,184	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2033	\$890,000	\$789,525	\$1,679,525	\$42,007	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2034	\$965,000	\$716,100	\$1,681,100	\$42,847	\$0	\$0	\$0	\$0	\$0	\$1,72	7
9/1/2035	\$1,045,000	\$636,488	\$1,681,488	\$43,704	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2036	\$1,130,000	\$550,275	\$1,680,275	\$44,578	\$0	\$0	\$0	\$0	\$0	\$1,72	3
9/1/2037	\$1,225,000	\$457,050	\$1,682,050	\$45,470	\$0	\$0	\$0	\$0	\$0	\$1,72	0
9/1/2038	\$1,325,000	\$355,988	\$1,680,988	\$46,379	\$0	\$0	\$0	\$0	\$0	\$1,72	7
9/1/2039	\$1,435,000	\$246,675	\$1,681,675	\$47,307	\$0	\$0	\$0	\$0	\$0	\$1,72	2
9/1/2040	\$1,555,000	\$128,288	\$1,683,288	\$48,253	\$0	\$0	\$0	(\$1,683,863)	\$0	\$4	8
Total	\$16,825,000	\$23,962,526	\$40,787,526	\$960,909	\$252,375	\$673,000	\$252,375	(\$1,683,863)	(\$2,398,264)	\$38,84	8

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 8.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

APPENDIX F
NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Appendix F
Neighborhood Improvement Area #2 Assessment Roll

Parcel(s)
Assessment

134236
\$1,905,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2020	\$0	\$119,063	\$119,063	\$25,500	\$0	\$144,563
9/1/2021	\$5,000	\$80,831	\$85,831	\$20,096	\$8,350	\$114,277
9/1/2022	\$5,000	\$80,625	\$85,625	\$20,498	\$8,325	\$114,448
9/1/2023	\$5,000	\$80,419	\$85,419	\$20,908	\$8,300	\$114,627
9/1/2024	\$5,000	\$80,213	\$85,213	\$21,326	\$8,275	\$114,814
9/1/2025	\$5,000	\$80,006	\$85,006	\$21,753	\$8,250	\$115,009
9/1/2026	\$5,000	\$79,800	\$84,800	\$22,188	\$8,225	\$115,213
9/1/2027	\$5,000	\$79,594	\$84,594	\$22,631	\$8,200	\$115,425
9/1/2028	\$5,000	\$79,388	\$84,388	\$23,084	\$8,175	\$115,647
9/1/2029	\$5,000	\$79,181	\$84,181	\$23,546	\$8,150	\$115,877
9/1/2030	\$5,000	\$78,975	\$83,975	\$24,017	\$8,125	\$116,117
9/1/2031	\$5,000	\$78,769	\$83,769	\$24,497	\$8,100	\$116,366
9/1/2032	\$5,000	\$78,563	\$83,563	\$24,987	\$8,075	\$116,625
9/1/2033	\$5,000	\$78,356	\$83,356	\$25,487	\$8,050	\$116,893
9/1/2034	\$5,000	\$78,150	\$83,150	\$25,996	\$8,025	\$117,171
9/1/2035	\$5,000	\$77,944	\$82,944	\$26,516	\$8,000	\$117,460
9/1/2036	\$5,000	\$77,738	\$82,738	\$27,047	\$7,975	\$117,760
9/1/2037	\$5,000	\$77,531	\$82,531	\$27,588	\$7,950	\$118,069
9/1/2038	\$10,000	\$77,325	\$87,325	\$28,139	\$7,925	\$123,389
9/1/2039	\$10,000	\$76,913	\$86,913	\$28,702	\$7,875	\$123,490
9/1/2040	\$10,000	\$76,500	\$86,500	\$29,276	\$7,825	\$123,601
9/1/2041	\$165,000	\$76,075	\$241,075	\$29,862	\$7,775	\$278,712
9/1/2042	\$175,000	\$69,063	\$244,063	\$30,459	\$6,950	\$281,472
9/1/2043	\$180,000	\$61,625	\$241,625	\$31,068	\$6,075	\$278,768
9/1/2044	\$190,000	\$53,975	\$243,975	\$31,689	\$5,175	\$280,839
9/1/2045	\$200,000	\$45,900	\$245,900	\$32,323	\$4,225	\$282,448
9/1/2046	\$205,000	\$37,400	\$242,400	\$32,970	\$3,225	\$278,595
9/1/2047	\$215,000	\$28,688	\$243,688	\$33,629	\$2,200	\$279,517
9/1/2048	\$225,000	\$19,550	\$244,550	\$34,302	\$1,125	\$279,977
9/1/2049	\$235,000	\$9,988	\$244,988	\$34,988	\$2,300	\$282,276
Total	\$1,905,000	\$2,098,144	\$4,003,144	\$805,072	\$201,225	\$5,009,441

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 4.125% through 2039 and 4.250% thereafter.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) The 9/1/2020 Annual Installments were calculated and billed under the Neighborhood Improvement Area #2 Reimbursement Agreement.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX G
NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

Appendix G
Neighborhood Improvement Area #3 Assessment Roll

Parcel(s)
Assessment

52810, 52744, 52760, 52721
\$4,450,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2020	\$0	\$171,967	\$171,967	\$25,000	\$0	\$196,967
9/1/2021	\$0	\$188,744	\$188,744	\$35,000	\$22,250	\$245,994
9/1/2022	\$15,000	\$188,744	\$203,744	\$35,700	\$22,250	\$261,694
9/1/2023	\$15,000	\$188,125	\$203,125	\$36,414	\$22,175	\$261,714
9/1/2024	\$15,000	\$187,506	\$202,506	\$37,142	\$22,100	\$261,749
9/1/2025	\$15,000	\$186,888	\$201,888	\$37,885	\$22,025	\$261,798
9/1/2026	\$15,000	\$186,269	\$201,269	\$38,643	\$21,950	\$261,862
9/1/2027	\$15,000	\$185,650	\$200,650	\$39,416	\$21,875	\$261,941
9/1/2028	\$15,000	\$185,031	\$200,031	\$40,204	\$21,800	\$262,035
9/1/2029	\$15,000	\$184,413	\$199,413	\$41,008	\$21,725	\$262,146
9/1/2030	\$15,000	\$183,794	\$198,794	\$41,828	\$21,650	\$262,272
9/1/2031	\$15,000	\$183,175	\$198,175	\$42,665	\$21,575	\$262,415
9/1/2032	\$15,000	\$182,556	\$197,556	\$43,518	\$21,500	\$262,574
9/1/2033	\$20,000	\$181,938	\$201,938	\$44,388	\$21,425	\$267,751
9/1/2034	\$20,000	\$181,113	\$201,113	\$45,276	\$21,325	\$267,714
9/1/2035	\$20,000	\$180,288	\$200,288	\$46,182	\$21,225	\$267,694
9/1/2036	\$20,000	\$179,463	\$199,463	\$47,105	\$21,125	\$267,693
9/1/2037	\$20,000	\$178,638	\$198,638	\$48,047	\$21,025	\$267,710
9/1/2038	\$20,000	\$177,813	\$197,813	\$49,008	\$20,925	\$267,746
9/1/2039	\$20,000	\$176,988	\$196,988	\$49,989	\$20,825	\$267,801
9/1/2040	\$25,000	\$176,163	\$201,163	\$50,988	\$20,725	\$272,876
9/1/2041	\$385,000	\$175,100	\$560,100	\$52,008	\$20,600	\$632,708
9/1/2042	\$400,000	\$158,738	\$558,738	\$53,048	\$18,675	\$630,461
9/1/2043	\$415,000	\$141,738	\$556,738	\$54,109	\$16,675	\$627,522
9/1/2044	\$435,000	\$124,100	\$559,100	\$55,191	\$14,600	\$628,891
9/1/2045	\$455,000	\$105,613	\$560,613	\$56,295	\$12,425	\$629,333
9/1/2046	\$475,000	\$86,275	\$561,275	\$57,421	\$10,150	\$628,846
9/1/2047	\$495,000	\$66,088	\$561,088	\$58,570	\$7,775	\$627,432
9/1/2048	\$520,000	\$45,050	\$565,050	\$59,741	\$5,300	\$630,091
9/1/2049	\$540,000	\$22,950	\$562,950	\$60,936	\$2,700	\$626,586
Total	\$4,450,000	\$4,760,910	\$9,210,910	\$1,382,728	\$540,375	\$11,134,014

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 4.125% through 2039 and 4.250% thereafter.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX H
NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA #4 Bond Ordinance)

Appendix H
Neighborhood Improvement Area #4 Assessment Roll

Parcel(s)
Assessment

751232, 751234, 134236

\$4,000,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2021	\$0	\$184,400	\$184,400	\$25,000	\$0	\$209,400
9/1/2022	\$5,000	\$184,400	\$189,400	\$35,000	\$20,000	\$244,400
9/1/2023	\$5,000	\$184,170	\$189,170	\$35,700	\$19,975	\$244,845
9/1/2024	\$10,000	\$183,939	\$193,939	\$36,414	\$19,950	\$250,303
9/1/2025	\$10,000	\$183,478	\$193,478	\$37,142	\$19,900	\$250,520
9/1/2026	\$10,000	\$183,017	\$193,017	\$37,885	\$19,850	\$250,752
9/1/2027	\$10,000	\$182,556	\$192,556	\$38,643	\$19,800	\$250,999
9/1/2028	\$10,000	\$182,095	\$192,095	\$39,416	\$19,750	\$251,261
9/1/2029	\$10,000	\$181,634	\$191,634	\$40,204	\$19,700	\$251,538
9/1/2030	\$10,000	\$181,173	\$191,173	\$41,008	\$19,650	\$251,831
9/1/2031	\$15,000	\$180,712	\$195,712	\$41,828	\$19,600	\$257,140
9/1/2032	\$15,000	\$180,021	\$195,021	\$42,665	\$19,525	\$257,210
9/1/2033	\$15,000	\$179,329	\$194,329	\$43,518	\$19,450	\$257,297
9/1/2034	\$15,000	\$178,638	\$193,638	\$44,388	\$19,375	\$257,401
9/1/2035	\$15,000	\$177,946	\$192,946	\$45,276	\$19,300	\$257,522
9/1/2036	\$15,000	\$177,255	\$192,255	\$46,182	\$19,225	\$257,661
9/1/2037	\$20,000	\$176,563	\$196,563	\$47,105	\$19,150	\$262,818
9/1/2038	\$20,000	\$175,641	\$195,641	\$48,047	\$19,050	\$262,738
9/1/2039	\$20,000	\$174,719	\$194,719	\$49,008	\$18,950	\$262,677
9/1/2040	\$20,000	\$173,797	\$193,797	\$49,989	\$18,850	\$262,636
9/1/2041	\$280,000	\$172,875	\$452,875	\$50,988	\$18,750	\$522,613
9/1/2042	\$295,000	\$159,967	\$454,967	\$52,008	\$17,350	\$524,325
9/1/2043	\$315,000	\$146,368	\$461,368	\$53,048	\$15,875	\$530,291
9/1/2044	\$335,000	\$131,846	\$466,846	\$54,109	\$14,300	\$535,255
9/1/2045	\$360,000	\$116,403	\$476,403	\$55,191	\$12,625	\$544,219
9/1/2046	\$380,000	\$99,807	\$479,807	\$56,295	\$10,825	\$546,927
9/1/2047	\$405,000	\$82,289	\$487,289	\$57,421	\$8,925	\$553,635
9/1/2048	\$430,000	\$63,618	\$493,618	\$58,570	\$6,900	\$559,088
9/1/2049	\$460,000	\$43,795	\$503,795	\$59,741	\$4,750	\$568,286
9/1/2050	\$490,000	\$22,589	\$512,589	\$60,936	\$2,450	\$575,975
Total	\$4,000,000	\$4,645,036	\$8,645,036	\$1,382,728	\$483,800	\$10,511,564

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st.

(b) Estimated Interest rate is 4.61%.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

APPENDIX I
PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #5A ASSESSMENT ROLL

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)

Appendix I
Proposed Neighborhood Improvement Area #5A Assessment Roll

122875, 52680, 52690, 52751, 52810, 52744,
52721, 52760, 52763

Parcel(s)
Assessment

\$4,417,000

Year (a)	Principal	Interest (b)	Total Debt Service	Administrative Expenses (c)	Delinquency and Prepayment Reserve	Annual Installment (d)
9/1/2021	\$0	\$201,857	\$201,857	\$32,500	\$0	\$234,357
9/1/2022	\$10,000	\$201,857	\$211,857	\$33,150	\$0	\$245,007
9/1/2023	\$10,000	\$201,400	\$211,400	\$33,813	\$0	\$245,213
9/1/2024	\$10,000	\$200,943	\$210,943	\$34,489	\$0	\$245,432
9/1/2025	\$10,000	\$200,486	\$210,486	\$35,179	\$0	\$245,665
9/1/2026	\$10,000	\$200,029	\$210,029	\$35,883	\$0	\$245,912
9/1/2027	\$10,000	\$199,572	\$209,572	\$36,600	\$0	\$246,172
9/1/2028	\$10,000	\$199,115	\$209,115	\$37,332	\$0	\$246,447
9/1/2029	\$15,000	\$198,658	\$213,658	\$38,079	\$0	\$251,737
9/1/2030	\$15,000	\$197,972	\$212,972	\$38,841	\$0	\$251,813
9/1/2031	\$15,000	\$197,287	\$212,287	\$39,617	\$0	\$251,904
9/1/2032	\$15,000	\$196,601	\$211,601	\$40,410	\$0	\$252,011
9/1/2033	\$15,000	\$195,916	\$210,916	\$41,218	\$0	\$252,134
9/1/2034	\$15,000	\$195,230	\$210,230	\$42,042	\$0	\$252,273
9/1/2035	\$15,000	\$194,545	\$209,545	\$42,883	\$0	\$252,428
9/1/2036	\$20,000	\$193,859	\$213,859	\$43,741	\$0	\$257,600
9/1/2037	\$20,000	\$192,945	\$212,945	\$44,616	\$0	\$257,561
9/1/2038	\$20,000	\$192,031	\$212,031	\$45,508	\$0	\$257,539
9/1/2039	\$20,000	\$191,117	\$211,117	\$46,418	\$0	\$257,535
9/1/2040	\$21,000	\$190,203	\$211,203	\$47,346	\$0	\$258,550
9/1/2041	\$330,000	\$189,244	\$519,244	\$48,293	\$0	\$567,537
9/1/2042	\$345,000	\$174,163	\$519,163	\$49,259	\$0	\$568,422
9/1/2043	\$365,000	\$158,396	\$523,396	\$50,244	\$0	\$573,641
9/1/2044	\$380,000	\$141,716	\$521,716	\$51,249	\$0	\$572,965
9/1/2045	\$400,000	\$124,350	\$524,350	\$52,274	\$0	\$576,624
9/1/2046	\$420,000	\$106,070	\$526,070	\$53,320	\$0	\$579,389
9/1/2047	\$440,000	\$86,876	\$526,876	\$54,386	\$0	\$581,262
9/1/2048	\$465,000	\$66,768	\$531,768	\$55,474	\$0	\$587,242
9/1/2049	\$485,000	\$45,517	\$530,517	\$56,583	\$0	\$587,100
9/1/2050	\$511,000	\$23,353	\$534,353	\$57,715	\$0	\$592,068
Total	\$4,417,000	\$5,058,076	\$9,475,076	\$1,318,463	\$0	\$10,793,539

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st.

(b) Estimated Interest rate is 4.57%.

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

(d) Does not include capitalized interest.

Attachment: Bond Ordinance (with attachments) (Sutton Fields II PID NIA#4 Bond Ordinance)



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 8, 2020
 Re: 20-02 Annexation Petition Verification

Action Requested:

Discussion regarding City Secretary's verification of whether there are sufficient signatures to the petition for annexation of approximately 48 acres, in the extraterritorial jurisdiction; generally located east of county road 52, west of Farm to Market road 2478, south of Glendenning parkway, north of county road 84, as described below. (20-02 Annexation Petition Verification) (Tarrant)

- 1) Collin CAD Property ID 2776103, being an approximate 0.39 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 28; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 2) Collin CAD Property ID 1634592, being an approximate 10.34 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 83; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 3) Collin CAD Property ID 2776102, being an approximate 0.536 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 27; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
- 4) Collin CAD Property ID 2120667, being an approximate 18.251 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 61; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
- 5) Collin CAD Property ID 2510786, being an approximate 8.00 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey, Tract 64; generally located west of Custer Road and approximately 400 feet north of Choate Parkway,
- 6) Collin CAD Property ID 2616659, being an approximate 3.594 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey (Raelene Addition); generally located north of Choate Parkway and approximately 550 feet west of Custer Road,
- 7) Collin CAD Property ID 2617829, being an approximate 2.954 acre tract of land in Collin County, Texas, legally described as Abstract No. 1030 in the Jonathan Westover Survey, Tract 6; generally located approximately 300 feet south of Choate Parkway and approximately 1,300 feet east of

County Road 86, and

8) Collin CAD Property ID 2647903, being an approximate 3.23 acre tract of land in Collin County, Texas, legally described as Abstract No. 779 in the Levin Routh Survey, Tract 12; generally located at southwest corner of Custer Road and Sunset Boulevard, plus, all county road right-of-way adjacent to the above-described property.

Background Information:

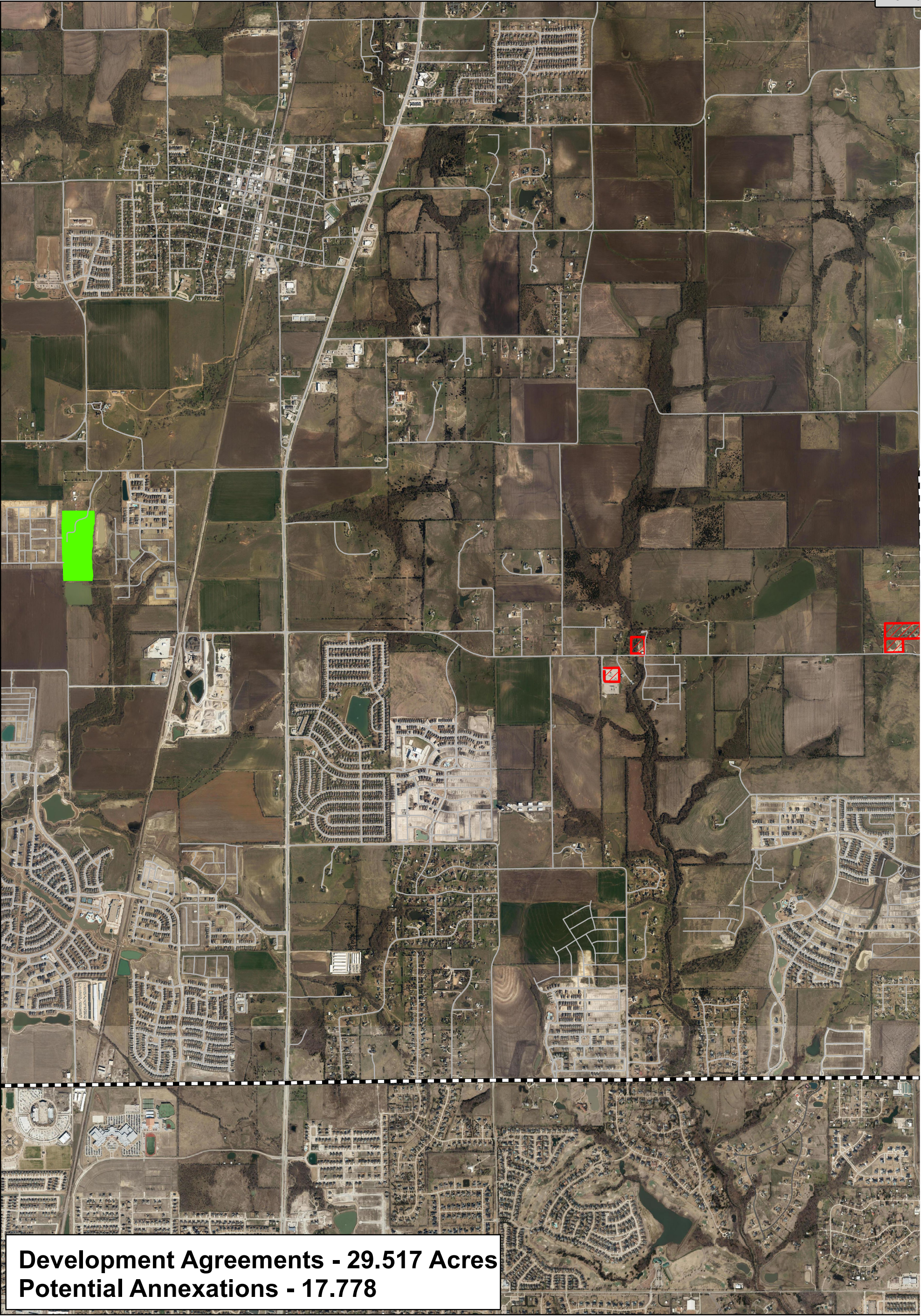
Please refer to the attachments for additional information.

Supporting Documents:

- Location Map
- C-4 Annexation Application
- Petition Verification Table

Staff Recommendation:

Staff recommends approval.



Attachment: Location Map (20-02 Annexation Petition Verification)

CELINA
TEXAS
EST. 1876

Life Connected.

Potential Annexations

City of Celina

Date: 8/25/2020

Legend

- Ultimate Boundary
- Roads
- Development Agreements
- Potential Annexations

0 2,150 4,300 Feet

Packet Pg. 1524

C-4 VOLUNTARY ANNEXATION PETITION OF THE CITY OF CELINA, TEXAS:

The City of Celina has adopted a Resolution of Intent to annex the area described below, provided notice and conducted a public hearing as required by Texas Local Government Code Sections 43.0682, 43.0683 and 43.0684. The City of Celina is now seeking to gather signatures of more than 50% of the registered voters of the area OR, if the registered voters of the area do not own more than 50% of the land in the area, the owners having an ownership interest greater than 50% of the hereinafter described tract(s) or parcel(s) of land (collectively, the “Area”).

ONLY IF YOU CONSENT TO THE ANNEXATION OF YOUR PROPERTY AND/OR THE PROPERTY UPON WHICH YOU RESIDE AS A REGISTERED VOTER, execute a signature page below that indicates (A) whether you are an owner of property in the Area, (B) a registered voter in the Area, or (C) both. If the number of signatures required by state law are received, annexation will extend the present city limits over the Area, containing approximately 48 acres of land, described as follows:

- 1) **Collin CAD Property ID 2776103, being an approximate 0.39 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 28; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,**
- 2) **Collin CAD Property ID 1634592, being an approximate 10.34 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 83; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,**
- 3) **Collin CAD Property ID 2776102, being an approximate 0.536 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 27; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,**
- 4) **Collin CAD Property ID 2120667, being an approximate 18.251 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 61; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,**
- 5) **Collin CAD Property ID 2510786, being an approximate 8.00 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey, Tract 64; generally located west of Custer Road and approximately 400 feet north of Choate Parkway,**
- 6) **Collin CAD Property ID 2616659, being an approximate 3.594 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey (Raelene Addition); generally located north of Choate Parkway and approximately 550 feet west of Custer Road,**
- 7) **Collin CAD Property ID 2617829, being an approximate 2.954 acre tract of land in Collin County, Texas, legally described as Abstract No. 1030 in the Jonathan Westover Survey, Tract 6; generally located approximately 300 feet south of Choate Parkway and approximately 1,300 feet east of County Road 86, and**
- 8) **Collin CAD Property ID 2647903, being an approximate 3.23 acre tract of land in Collin County, Texas, legally described as Abstract No. 779 in the Levin Routh Survey, Tract 12; generally located at southwest corner of Custer Road and Sunset Boulevard,**

I desire to enter into a written agreement for municipal services to my property with the City of Celina pursuant to Section 43.0672 of the Local Government Code. If any portion of my property is appraised for ad valorem tax purposes as agricultural, wildlife management use or timber land under Chapter 23 of the Tax Code, I certify that (a) I was offered a development agreement pursuant to Section 43.016 of the Local Government Code, (b) declined said development agreement and/or entered into an agreement pursuant to Section 212.172 Local Government Code, and (c) voluntarily executed this petition.

I further certify and attest that I have the authority to petition for annexation for the portion of the Area that I own or where I am a registered voter, or both.

OWNER WHO IS NOT A REGISTERED VOTER OF THE AREA:

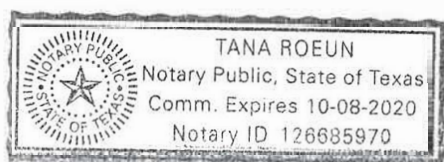
CELINA 52 EAST LP

Number of acres owned: 29By: Celina 52 East GP LLC
Its General PartnerBy: PRA GP No. 2, Inc.,
Its ManagerBy: [Signature]Name: Julian Hawes, Jr.Title: Vice President**NOTARY ACKNOWLEDGEMENT(S)**STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared JULIAN HAWES, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of the Owner.

Given under my hand and seal of office this 20 day of APRIL, 2019.

(SEAL)

[Signature]
NOTARY PUBLIC in and for the
STATE OF TEXASTANA ROEUN
Printed NameMy commission expires: 10-8-20

FOR OFFICE USE ONLY:

Date of filing with City: _____

Received by: _____

Prop ID	Owner	Address	City	State	Zip	Acres
2776103	CELINA 52 EAST LP	10211 N CENTRAL EXPY STE 300	DALLAS	TX	75231-3471	0.390
1634592	CELINA 52 EAST LP	10212 N CENTRAL EXPY STE 300	DALLAS	TX	75231-3472	10.340
2776102	CELINA 52 EAST LP	10210 N CENTRAL EXPY STE 300	DALLAS	TX	75231-3470	0.536
2120667	CELINA 52 EAST LP	10213 N CENTRAL EXPY STE 300	DALLAS	TX	75231-3473	18.251
Total Signed						29.517
2510786	FOLEY JOHN J III &	1641 HIGHLAND MEADOWS CT	PROSPER	TX	75078-9358	8.000
2616659	STRICKLIN ROBERT TYLER & RAELENE I	7 OAK SHORE DR	GUNTER	TX	75058-3227	3.594
2617829	ONCOR ELECTRIC DELIVERY COMPANY	PO BOX 139100	DALLAS	TX	75313-9100	2.954
2647903	LIVING STONE INVESTMENTS	12016 WISHING WELL CT	FRISCO	TX	75035-2852	3.230
Total Unsigned						17.778
TOTAL ACREAGE						47.295

This C-4 annexation is for a total of 47.30 acres

The 4 properties who have signed represent 29.5 acres

29.5 acres out of the total acreage of 47.3 represents 63% of signatures

This is more than 50% of ownership interest, which satisfies the C-4 voluntary annexation petition process



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 8, 2020
 Re: 20-02 Annexation Petition Verification Resolution

Action Requested:

Consider and act upon a resolution, accepting the City Secretary's verification of the signatures to the petition for annexation of approximately 48 acres, in the extraterritorial jurisdiction; generally located east of County Road 52, west of Farm to Market Road 2478, south of Glendenning Parkway, north of County Road 84, as described below, and all County Road rights-of-way adjacent thereto; calling two public hearings regarding annexation and the service plan; and directing notices as prescribed by law. (20-02 Annexation Petition Verification Resolution) (Mohan)

- 1) Collin CAD Property ID 2776103, being an approximate 0.39 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 28; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 2) Collin CAD Property ID 1634592, being an approximate 10.34 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 83; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 3) Collin CAD Property ID 2776102, being an approximate 0.536 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 27; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
- 4) Collin CAD Property ID 2120667, being an approximate 18.251 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 61; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
- 5) Collin CAD Property ID 2510786, being an approximate 8.00 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey, Tract 64; generally located west of Custer Road and approximately 400 feet north of Choate Parkway,
- 6) Collin CAD Property ID 2616659, being an approximate 3.594 acre tract of land in Collin County, Texas, legally described as Abstract No. 945 in the Coleman Watson Survey (Raelene Addition); generally located north of Choate Parkway and approximately 550 feet west of Custer Road,
- 7) Collin CAD Property ID 2617829, being an approximate 2.954 acre tract of land in Collin

County, Texas, legally described as Abstract No. 1030 in the Jonathan Westover Survey, Tract 6; generally located approximately 300 feet south of Choate Parkway and approximately 1,300 feet east of County Road 86, and

8) Collin CAD Property ID 2647903, being an approximate 3.23 acre tract of land in Collin County, Texas, legally described as Abstract No. 779 in the Levin Routh Survey, Tract 12; generally located at southwest corner of Custer Road and Sunset Boulevard, plus, all county road right-of-way adjacent to the above-described property.

Background Information:

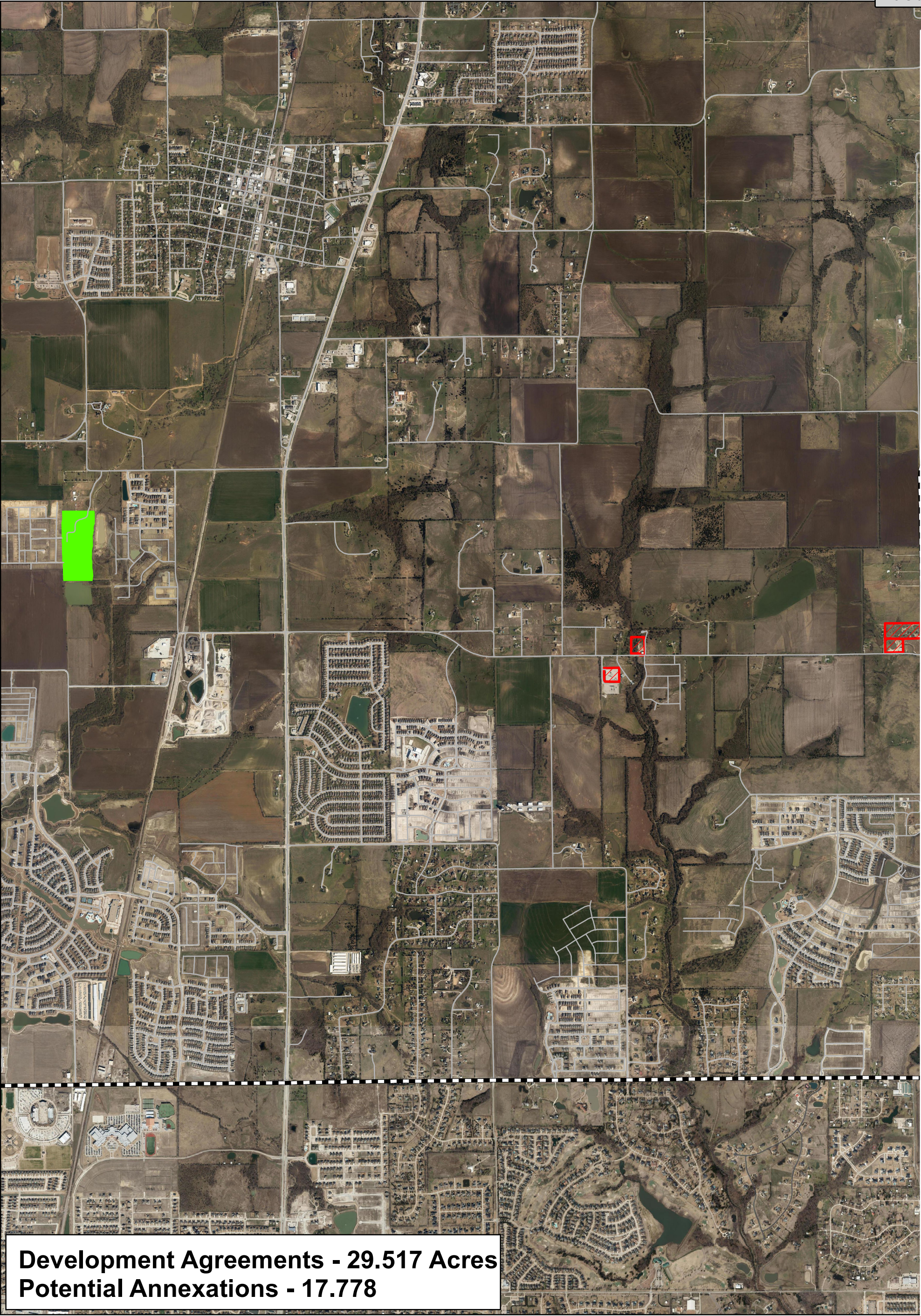
Please refer to the attachment for additional information.

Supporting Documents:

- Location Map
- Resolution

Staff Recommendation:

Staff recommends approval.



Attachment: Location Map (20-02 Annexation Petition Verification Resolution)

CELINA
TEXAS
EST. 1876

Life Connected.

Potential Annexations

City of Celina

Date: 8/25/2020

Legend

- Ultimate Boundary
- Roads
- Development Agreements
- Potential Annexations

0 2,150 4,300
Feet

Packet Pg. 1532

CITY OF CELINA, TEXAS

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY OF CELINA, TEXAS, ACCEPTING THE CITY SECRETARY'S VERIFICATION OF THE SIGNATURES TO THE PETITION FOR ANNEXATION OF CERTAIN TERRITORIES IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF CELINA, TEXAS, TO WIT BEING ±47.30 ACRES GENERALLY LOCATED EAST OF COUNTY ROAD 52, WEST OF FARM TO MARKET ROAD 2478, SOUTH OF GLENDENNING PARKWAY, NORTH OF COUNTY ROAD 84 AND THAT PORTION OF ALL COUNTY ROAD RIGHTS-OF-WAY ADJACENT TO SAID TERRITORY; AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN EXHIBIT "A" AND GRAPHICALLY DEPICTED IN EXHIBIT "B" ATTACHED HERETO AND INCORPORATED HEREIN; CALLING TWO PUBLIC HEARINGS REGARDING ANNEXATION AND THE SERVICE PLAN, DIRECTING NOTICES OF PUBLIC HEARING BE PROVIDED AS PRESCRIBED BY LAW; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton Counties, Texas, created in accordance with the provisions of the Texas Local Government Code (the "Act") and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter; and

WHEREAS, legal descriptions of the area proposed to be annexed is attached hereto as Exhibit "A" and the area, and adjacent right-of-way to be annexed, is geographically depicted in Exhibit "B", both of which are attached hereto and incorporated herein as if written word for word (together the "Area"); and

WHEREAS, the City Council adopted Resolution No. R-15R expressing its intent to annex the Area and containing all elements required by Section 43.0682 of the Act (the "Resolution of Intent"); and

WHEREAS, following proper notice, a public hearing was held on April 14, 2020, which date was not earlier than 21 days or later than the 30th day after the date of adoption of the Resolution of Intent, after which the City circulated a petition in conformance with the requirements of Section 43.0685 of the Act (the "Petition"); and

WHEREAS, the Petition period prescribed by Section 43.0685 of the Act has ended and the City Secretary verified to the City Council that the Petition contained the minimum number of signatures required to annex the Area; and

WHEREAS, the City Council directs publication, mailing and distribution of notice(s) for two public hearings, as required by the Act, to consider the annexation of the Area; and

WHEREAS, all required statutory notices and procedures related to the Petition in Chapter 43 of the Act have been accomplished; and

WHEREAS, in accordance with Chapter 43 of the act, a Service Plan for the Area to be annexed, which was included with the Resolution of Intent, shall be presented at the public hearings and made available to the public, and is attached hereto as Exhibit “C” and incorporated herein as if written word for word; and

WHEREAS, the City Council of the City of Celina, Texas has determined that the Area to be annexed, as set forth in the Petition, is located within the extraterritorial jurisdiction of the City; and

WHEREAS, the City Council of the City of Celina, Texas has investigated into, has determined and officially finds that no part of the Area is within the extraterritorial jurisdiction of any other incorporated city or town.

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

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct, are incorporated herein, are legislative findings of the City Council, and are made a part hereof for all purposes.

SECTION 2 **ACCEPTANCE OF PETITION VERIFICATION, CALLING OF PUBLIC HEARINGS AND PROVIDING NOTICES**

A. Acceptance of Petition Verification. Prior to the City Council adopting this resolution, the City Secretary, in an open meeting of the City Council, verified that:

- i. the Area has a population of less than 200; and
- ii. registered voters of the Area proposed to be annexed and described in the Petition do not own more than 50 percent of the land in the Area; and
- iii. the Petition was signed by the owners of land in the Area that are not registered voters; and
- iv. the Petition clearly stated whether each signer was signing as a registered voter of the Area, an owner of land in the Area, or both; and
- v. the Petition was signed by more than 50 percent of the owners of land in the Area; and
- vi. the signatures sufficient to verify the Petition were placed on the Petition during the timeframe required by Section 43.0685(b) of the Act.

The City Council hereby accepts and approves the verification, finds and affirms that the statements in this Section 2.A. are true and correct, and adopts the statements in this Section 2.A. as legislative findings of the City Council.

B. Calling of Public Hearings. The City Council hereby calls two public hearings about annexation of the Area, at which members of the public shall be given an opportunity to be heard, at **CELINA COUNCIL CHAMBERS, 112 NORTH COLORADO,**

CELINA, TEXAS 75009, on the following dates and times (the second public hearing shall be not earlier than the 10th day after the first public hearing):

- i. October 13, 2020 at 5:00 p.m.; and
- ii. November 10, 2020 at 5:00 p.m.

The ordinance annexing the Area may be adopted immediately following the second public hearing called above.

C. Notice of Results of Petition and Public Hearings. The City Secretary is hereby authorized and directed to cause notice of the results of the Petition and notice of the two public hearings called by Section 2.B. to be sent to; (i) residents and property owners in the Area, (ii) any school district or public entity providing services to the Area, and (iii) any railroad having right-of-way in the Area, at least 11 days before the date of the first public hearing. In addition, such notice shall be posted on the City's website and published once in a newspaper having general circulation in the City and in the Area at least 11 days before the date of the first public hearing.

SECTION 3 **SERVICE PLAN**

The proposed Service Plan for the Area, attached hereto as Exhibit "C", shall be presented at the beginning of the public hearings, made publicly available and submitted in accordance with Chapter 43 of the Texas Local Government Code.

SECTION 4 **SEVERABILITY**

If any section, article, paragraph, sentence, clause, phrase or word in this resolution, or application thereof to any land, property, person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this resolution, and the City Council hereby declares it would have passed such remaining portions of this resolution despite such invalidity, which remaining portions shall remain in full force and effect. The City Council hereby declares that if there is an error in any call or description in Exhibit "A", the City Council would have included all remaining Area having correct calls or descriptions and or would have corrected the call or description to include the entire intended Area in this resolution.

SECTION 5 **ENGROSSMENT AND ENROLLMENT**

The City Secretary of the City of Celina is hereby directed to engross and enroll this resolution by copying the caption in the minutes of the City Council of the City of Celina and by filing this resolution in the resolution records of the City.

SECTION 6 **EFFECTIVE DATE**

This resolution shall be in full force and effect from and after its date of passage.

AND IT IS SO RESOLVED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, on this 8th day of September, 2020.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Tarrant, City Secretary
City of Celina, Texas

APPROVED AS TO FORM:

City Attorney/Attorney for City
City of Celina, Texas

Attachment: Resolution (20-02 Annexation Petition Verification Resolution)

Exhibit “A”
LEGAL DESCRIPTION OF AREA

- 1) Collin CAD Property ID 2776103, being an approximate 0.39 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 28; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 2) Collin CAD Property ID 1634592, being an approximate 10.34 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 83; generally located approximately 1,650 feet east of County Road 52 and approximately 1,800 feet south of FM 428,
- 3) Collin CAD Property ID 2776102, being an approximate 0.536 acre tract of land in Collin County, Texas, legally described as Abstract No. 943 in the C. Williamson Survey, Tract 27; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
- 4) Collin CAD Property ID 2120667, being an approximate 18.251 acre tract of land in Collin County, Texas, legally described as Abstract No. 167 in the Collin County School Land #14 Survey, Tract 61; generally located approximately 1,650 feet east of County Road 52 and approximately 2,400 feet south of FM 428,
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Exhibit “B”
DEPICTION OF AREA, INCLUDING ADJACENT COUNTY ROWs

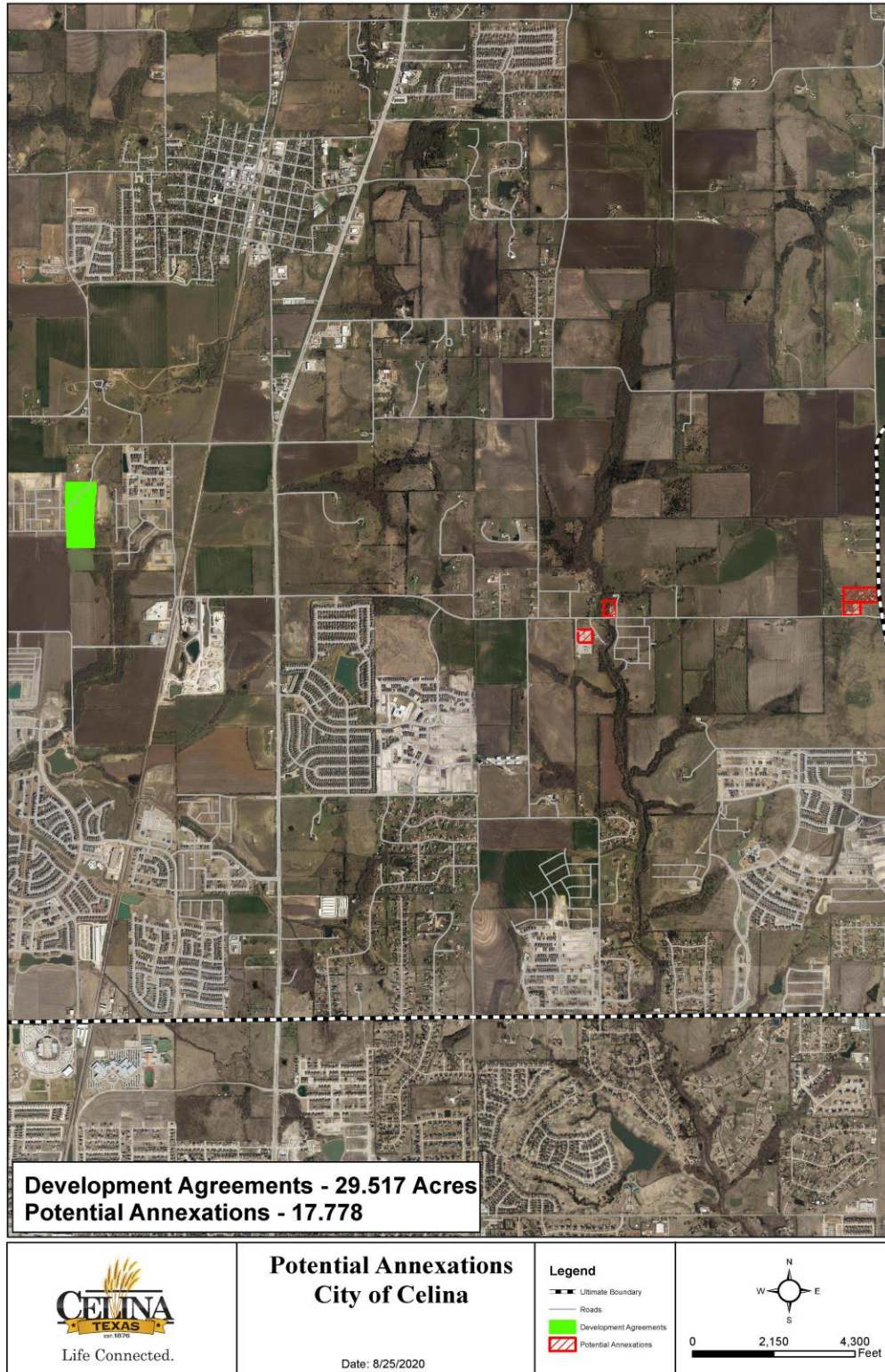


Exhibit “C”

C-4 Resolution Verifying Petition, Calling Public Hearings and Authorizing Notices
 Page 6 of 11

Attachment: Resolution (20-02 Annexation Petition Verification Resolution)

Service Plan

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density. The provisions of the service plan were made available for public inspection and explained at the two public hearings held by the City Council in accordance with LGC Section 43.056(j).
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
 - b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
 - c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.
- 2) Fire Protection
 - a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.
 - b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the

City of Celina on the effective date of the annexation ordinance.

- c) As development commences in these areas, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
- d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.

3) Emergency Medical Services

- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
- b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation ordinance.
- c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
- d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained by the City on the effective date of this ordinance.

- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City's environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.
- 3) The City's zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexed ordinance.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation ordinance.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.
- 2) The City of Celina's codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.